

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Tuesday, January 07, 2014

TIME	DESCRIPTION	PRESENTER
8:00-8:15	Welcome, Introductions, & Set Up Laptops	<i>Co-Chairs Senator Cameron & Representative Bell</i>
8:15-9:30	Review of Governor's Recommendation	<i>Jani Revier, Administrator Div of Financial Management</i>
9:30-9:40	<i>Break</i>	
9:40-10:40	Review FY 2014 - FY 2015 Budget Scenarios	<i>Cathy Holland-Smith, Manager Div of Budget & Policy Analysis</i>
10:40-11:00	Review Supplemental Schedule	<i>Jared Hoskins Budget & Policy Analyst Div of Budget & Policy Analysis</i>

Senate Reconvenes: 11:30am
House Reconvenes: TBA

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, January 07, 2014

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS PRESENT: Senators: Chairman Cameron, Vice Chairman Keough, Senators Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayne, Schmidt, Lacey
Representatives: Chairman Bell, Vice Chairman Bolz, Representatives Eskridge, Thompson, Gibbs, Miller, Stevenson, Youngblood, Ringo, King

ABSENT/ EXCUSED: None

CONVENED: Chairman Cameron called the meeting to order at 8:00 a.m.

WELCOME AND PAGE INTRODUCTIONS: Chairman Cameron welcomed all JFAC members to the 2nd Regular Session of the Sixty-Second Legislature. In addition he introduced the high school Pages who will serve the Committee for the first six weeks of the session. Kortni Wells from Burley, Idaho, attends Burley High School and will serve as the Senate Page. Kami Elorrieta from Eden, Idaho, attends Valley High School and will serve as the House Page.

STAFF PRESENT: Holland-Smith, Burns, Houston, Headlee, Bybee, Lockett, Tatro, Hoskins, Winslow, and Majors

AGENCY PRESENTATION **Review of Governor's Recommendations**
Jani Revier, Administrator, Division of Financial Management
Ms. Revier presented the Governor's recommendation for FY 2015. To view the presentation, click the following link. [FY 2015 Budget Recommendation](#)

Revier introduced the following staff members: Fulkerson, Deputy Administrator; Shelby Kerns, Budget Bureau Chief; Financial Management Analysts: David Hahn, Sara Stover, Anita Hamann, Richard Budzich, Adam Jarvis, and Rich McAllister; Economic Bureau: Derek Santos, Chief Economist, and Nathaniel Clayville.

Revier said revenues to the General Fund have been steadily recovering. Personal income is expected to grow to \$60 billion in FY 2015. Nonfarm employment growth should increase gradually; the number of jobs is expected to increase 2.6% in FY 2014 and 3.1% in FY 2015; however, it will not match the pace enjoyed during the middle of the last decade. The sectors adding the most jobs during the forecast period are professional and business services, health care and private education, retail trade, construction, and leisure and hospitality. Housing starts began improving in FY 2012 and are expected to gradually increase; it is predicted there will be about 12,900 housing starts by FY 2015.

The Governor set forth the following budget principles: 1) government will not grow at the same rate as the economy, 2) must maintain structural balance—one-time money will not be used for ongoing expenses, and 3) the rainy day accounts will be replenished. The Governor wants to focus on making strategic reinvestments, concentrating on core services and not losing efficiencies gained during the downturn.

FY 2013 had an ending balance on June 30, 2013 of \$79,952,900. In FY 2013 there were two transfers to the Budget Stabilization Fund: the statutory transfer of \$25,877,100 and HB 345 (surplus eliminator) of \$85,392,200.

Ms. Revier also discussed FY 2013 pay increases and salary savings. Approximately 52% of state employees received an ongoing pay increase with an average increase of 5.8%. She also noted that a 2% CEC was appropriated for all state employees in FY 2013 and many state agencies were able to utilize salary savings to implement the CEC at the end of FY 2012. There are two types of one-time salary savings distributions: short-term pay increases and one-time performance bonuses. \$8.7 million was spent on one-time distributions and the average per employee was about \$1,000.

Regarding FY 2014, the State Economist projects General Fund revenue will be \$2.808 billion or 2.1% growth over the previous year which takes into account the tax cuts from last session. After funding the statutory transfer to the Budget Stabilization Fund, Deficiency Warrants, and Supplementals, it is projected there will be \$86.6 million for other spending or savings. The Governor is proposing a one-time \$15 million transfer to the Permanent Building Fund to address a backlog of maintenance. He is also proposing an FY 2014 surplus eliminator to transfer \$35 million to the Budget Stabilization Fund with the remainder split 80% to Public Education Fund and 20% to Higher Education Stabilization Fund.

The State Economist projects FY 2015 revenue will be \$2.988 billion or 6.4% growth over the previous year. The Governor has set a conservative budget of 2.5% ongoing growth for FY 2015 with the following budget priorities: 1) Governor's Education Task Force, 2) health and human safety, 3) maintenance back log, and 4) increased employer health benefits. The Governor recommends funding the increase in employer health care (\$12.7 million to the General Fund) which is equivalent to a 2% CEC for state employees; therefore, salaries are not addressed in his budget this year.

Ms. Revier also discussed public safety issues. The Idaho Department of Correction will assume operation of the Idaho Correctional Center (ICC); therefore, the Governor recommends that operating expenses for ICC be transferred, lump sum, to the Department's Division of Prisons, giving it flexibility during the transition. Further recommendations are: \$12.5 million for contract medical services, \$523,000 for security checks, and \$357,500 for pre-sentence investigators. For Idaho State Police the Governor recommends \$661,000 for ILETS funding, \$601,900 for investigation officers, \$930,200 for patrol officers, and \$116,600 for a forensics laboratory system director.

Regarding natural resources, the Governor recommends \$15 million for Water Sustainability Initiative projects, \$2 million for the Wolf Control Fund, \$1.8 million for enhancements and repairs to state parks, and \$200,000 to implement the Sage Grouse Management Alternative.

The FY 2015 budget recommendations for economic development also include \$60,000 for International Trade Office Enhancement and restoring \$200,000 to Wage and Hour in the Department of Labor.

The proposed budget would require the following three pieces of legislation: 1) a surplus eliminator for FY 2014, 2) raising the cap on the Budget Stabilization Fund to 10%, and 3) creating a new Health Care Assistance Fund.

**LSO STAFF
PRESENTATIONS**

Review FY 2014 - FY 2015 Budget Scenarios

Cathy Holland-Smith, Manager, Division of Budget & Policy Analysis

Ms. Holland-Smith reviewed FY 2014 - FY 2015 budget scenarios. To view the presentation, click the following link. [Budget Scenarios](#)

Ms. Holland-Smith presented a cash flow analysis for the FY 2014 General Fund showing the original revenue projection of 5.3% versus the revised projection of 2.1% and explained the difference. The beginning balance at the end of FY 2013 was \$79,952,900 and the estimated ending balance for FY 2014 is zero. However the actual savings is over \$86 million which will be spent in the next fiscal year.

She discussed the spending side of the FY 2015 Governor's recommendation broken down by state agencies and public schools. She also discussed a comparison sheet showing agencies' requests and the Governor's recommendation and explained the difference.

Costs were discussed pertaining to the transition of the Idaho Correctional Center (ICC) to the Prison Division of the Department of Correction. The total supplemental recommendation for \$1,931,200 included funding for a new warden, correctional managers and officers, support and IT staff, food service personnel, institutional supplies and capital outlay. Another supplemental is needed for a final payment to Corrections Corporation of America for services they will provide in June 2014 totaling \$2,445,500. Cigarette tax distribution was also discussed. For FY 2015, the Governor is proposing legislation to shift \$10.9 million in cigarette tax revenue from the General Fund to a newly created Health Care Assistance Fund.

Also reviewed the Governor's recommendation regarding the state stabilization funds. FY 2014 ending balances would be: \$172.5 million in the BSF which includes a surplus eliminator of \$35.0 million; \$92.3 million Public Education Stabilization Fund including a surplus eliminator of \$29.3 million; and \$8.5 million including a \$7.3 million surplus eliminator for a stabilization fund grand total of \$273.3 million.

Ms. Holland-Smith briefly discussed some special hearings, see above link for details.

Review Supplemental Schedule

Jared Hoskins, Budget & Policy Analyst, Division of Budget & Policy Analysis

Mr. Hoskins reviewed the Supplemental Schedule. To view the presentation, click the following link. [Supplemental Schedule](#)

Mr. Hoskins reviewed the supplemental schedule which includes deficiency warrants and supplemental appropriations. Deficiency warrants involve the Department of Lands (fire), the Department of Agriculture (pest control), and Military Division, Office of the Governor (HazMat). Actual deficiency warrant costs for the 2013 Session totaled \$6,390,700 from the General Fund. The Governor's recommendation for the 2014 Session totals \$11,875,000 in General Funds which is an increase of 85.8% from the prior year.

Supplemental appropriations allow for additional spending authority for current fiscal year appropriations. Actual supplemental appropriations for the 2013 legislative session totaled \$34,935,600 (including rescissions). The Governor's recommendation for the 2014 Session totals \$18,491,300 which is a reduction of 47% from the prior year.

Senator Cameron
Chairman

Peggy Moyer
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Wednesday, January 08, 2014

SPECIAL HEARINGS

TIME	DESCRIPTION	PRESENTER
8:00-8:45	Cost Recovery and Fee for Service Allocation in State Government	<i>Cathy Holland-Smith, Manager Robyn Lockett and Jared Tatro, Senior Analysts Div of Budget & Policy Analysis</i>
8:45-9:15	Plan to Support IT Web Security and Infrastructure	<i>Teresa Luna, Director Dept of Administration</i>
9:15-9:30	<i>Break</i>	
9:30-10:00	Proposed State Employee Health Insurance Plan Design and Cost Increases for FY 2015	<i>Teresa Luna, Director Dept of Administration</i>
10:00-10:45	Agency Spending Authorized Outside of the Appropriation Process	<i>Paul Headlee, Deputy Div Manager Ray Houston, Principal Analyst Div of Budget & Policy Analysis</i>

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, January 08, 2014

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS PRESENT: Chairman Cameron, Vice Chairman Keough, Senators Mortimer, Vick, Nuxoll, Johnson, Thayn, Schmidt, Lacey

Chairman Bell, Vice Chairman Bolz, Representatives Eskridge, Thompson, Gibbs, Miller, Stevenson, Youngblood, Ringo, King

ABSENT: Bayer

CONVENED: Chairman Bell convened the meeting at 8:04 a.m.

LSO STAFF REPORT: **Cathy Holland-Smith, Manager, Division of Budget & Policy Analysis**, reviewed the sharing costs for government services, cost recovery and fee for service models in State government, agencies that provide services to other agencies; sharing certain costs amongst users, and how it works from the federal perspective? How does it work from state perspective?

Jared Tatro, Senior Analyst, Division of Budget & Policy Analysis, explained cost recovery for government services in the State Controller, State Treasurer and Attorney General's Office. Spent \$22.5 million, recovered \$17.5M. Report on state controller services and other allocated costs in SWCAP.

Robyn Lockett, Senior Analyst, Division of Budget & Policy Analysis reviewed "Fee for Service" to other agencies.

Cathy Holland-Smith pointed out several evolving issues.

To view the full presentation from testimony of all staff members shown above, click on [Cost Recovery and Fee for Service Allocation in State Government](#)

OFFICE OF THE GOVERNOR

PRESENTER: **Teresa Luna, Director of the Department of Administration**

Presented the Committee with a report on plans supporting IT web security and infrastructure. To view the presentation, click on [Plan to Support IT Web Security and Infrastructure](#)

PRESENTER: **Teresa Luna , Director of the Department of Administration**

Reported on State employee health insurance plan, design and cost increases. To view full presentation click on [Proposed State Employee Health Insurance plan Design and Cost Increases for FY 2015](#)

LSO STAFF REPORT: **Paul Headlee, Deputy Division Manager, and Ray Houston, Principal Analyst, Division of Budget & Policy Analysis**, presented a report on "Agency Spending Authorized Outside of the Appropriation Process". This included actions that occur outside the appropriation process that modify agency spending, including actual dollar amounts for past three fiscal years.

To view full presentation for [Agency Spending Authorized Outside of the Appropriation Process](#)

ADJOURN

There being no further business to come before the Committee, Chairman Bell adjourned the meeting at 10:39.

Representative Bell
Chairman

Kathryn Yost
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Thursday, January 09, 2014

TIME	DESCRIPTION	PRESENTER
8:00-8:40	Legislative Services Office LBB Page 6-123	<i>Jeff Youtz, Director Legislative Services Office</i>
8:40-9:00	Division of Financial Management LBB Page 6-79	<i>Jani Revier, Administrator Div of Financial Management</i>
9:00-9:20	Executive Office of the Governor LBB Page 6-83	
9:20-9:50	Public Employee Retirement System (PERSI) LBB Page 6-105	<i>Don Drum, Executive Director PERSI</i>
9:50-10:10	Lieutenant Governor LBB Page 6-131	<i>Lieutenant Governor Brad Little</i>

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, January 09, 2014

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS PRESENT: Chairman Cameron, Vice Chairman Keough, Senators Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey
Chairman Bell, Vice Chairman Bolz, Representatives Eskridge, Thompson, Gibbs, Miller, Stevenson, Youngblood, Ringo, King

ABSENT/ EXCUSED: None

STAFF PRESENT: Holland-Smith, Lockett

CONVENED: Chairman Cameron convened the meeting at 8:00 a.m.

AGENCY PRESENTATION: **LEGISLATIVE SERVICES OFFICE (LSO)**
Jeff Youtz, Director, Legislative Services Office
Mr. Youtz presented the FY 2015 budget recommendation for the Legislative Services Office. To view the presentation, click the following link. [Legislative Services Office](#)

Mr. Youtz explained the various functions of each of the following four divisions that are under his direction: 1) Division of Research and Development, Division of Budget and Policy Analysis, the Legislative Audit Division, and the Information Technology Division. The overall FY 2015 budget request for LSO reflects a 2.2% increase with no new positions. LSO's budget is 65% from the General Fund and 35% Dedicated Funds.

AGENCY PRESENTATION: **EXECUTIVE OFFICE OF THE GOVERNOR**
Jani Revier, Administrator, Division of Financial Management
Ms. Revier presented the FY 2015 budget for the Executive Office of the Governor. To view the presentation, click the following link [Executive Office of the Governor](#)

The FY 2015 budget recommendation totals \$1,979,700 which is a 2.5% increase. Included in the budget per Idaho Code, Section 67-815, is \$15,000 for services and facilities to the Governor-elect from moneys set aside for the transition. If the Governor-elect is the incumbent Governor, there is no expenditure of funds and the appropriation is reverted.

PRESENTER: **DIVISION OF FINANCIAL MANAGEMENT**
Jani Revier, Administrator

Ms. Revier presented the Division of Financial Management FY 2015 budget. To view the presentation, click the following link. [Division of Financial Management](#)
The budget recommendation for FY 2015 totals \$1,643,100 with 16 FTP which is a maintenance level budget.

AGENCY PRESENTATION: PUBLIC EMPLOYEE RETIREMENT SYSTEM (PERSI)
Don Drum, Executive Director

To view the presentation, please click on the following link. [Public Employee Retirement System](#)

Idaho has one of the top public employee retirement systems in the United States. As of December 31, 2013, the value of the PERSI fund was \$13,872,622,168 with a return of 9.7%. Idaho Code governs PERSI, it is relatively conservative, and the Idaho Legislature makes benefit changes while the PERSI Board makes funding decisions. Effective July 1, 2012, the Board reduced the net return assumption to 7%. Idaho's retirement system has always required employee participation; PERSI benefits have never been enhanced without an ongoing revenue stream in place to fund them. The PERSI Board is required to take action on contribution rates when the amortization period of the actuarial liability exceeds 25 years. A discretionary rate increase was to be phased in over three years beginning July 1, 2011. In December 2010 and again in December 2011, the Board voted to postpone the rate increases for one year. The first of three rate increases went into effect for FY 2014; however, in October 2013, the Board voted to postpone the second rate increase, which is now scheduled to go into effect for FY 2016. Idaho employers have always met their contribution obligations. Membership for 2013 totaled 131,592 with 65,535 active members. The number of PERSI retirees and annuitants has steadily increased since 2010 from 33,625 to 38,947.

The Governor's recommended FY 2015 budget totals \$7,049,700 and 64 FTP, which is a 2.77% increase. The one line item recommended by the Governor is for a new training manager. PERSI has over 125,000 members, 755 employers and a staff of over 60 people. PERSI management recognizes the need to help newer, younger members understand the value of their benefits, and management also needs to develop better employer training to help employers understand legislation, rules and evolving procedures.

AGENCY PRESENTATION: OFFICE OF LT. GOVERNOR
Brad Little, Lt. Governor

The FY 2015 budget request for the Lt. Governor's office is \$152,100, a 3% increase, with 3 FTP. The Lt. Governor serves as Acting Governor when the Governor is absent from the state. He also serves as the Governor's chief appointment officer, vetting candidates for boards, commissions and councils, and facilitates economic development.

ADJOURN: Chairman Cameron adjourned the meeting at 9:17 a.m.

Senator Cameron
Chairman

Peggy Moyer
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Friday, January 10, 2014

TIME	DESCRIPTION	PRESENTER
8:00-8:30	Economic Outlook Committee Report	<i>Co-Chairs Senator Shawn Keough and Representative Marc Gibbs</i>
8:30-10:30	Supplementals & Deficiency Warrants	
p.2 #1	DEPARTMENT OF LANDS Fire Deficiency Warrants	<i>Ray Houston Principal Budget & Policy Analyst</i>
P.2 #2	DEPARTMENT OF AGRICULTURE Ag Pest Deficiency Warrants	
p.3 #4	OFFICE OF THE GOVERNOR Military Division: HazMat Deficiency Warrants	<i>Richard Burns Principal Budget & Policy Analyst</i>
p.13 #17	DEPARTMENT OF CORRECTION Commission for Pardons and Parole: Parole Violator Extradition	
p.17 #28	SELF-GOVERNING AGENCIES State Appellate Public Defender: Attorney Fees	
p.6 #2	DEPARTMENT OF HEALTH & WELFARE Indirect Support Services: Ct Appointed Guardian Background Check	<i>Jared Tatro Senior Budget & Policy Analyst</i>
p.8 #7	Public Health Services: HIV/AIDS Drug Assistance Program	
p.7 #6	State Comm Center Workload	
p.16 #24	SELF-GOVERNING AGENCIES Medical Boards: Increased Disciplinary Hearings- Dentistry	
p.16 #25	Confidential Legal Settlement- Medicine	
p.16 #26	Allow Temporary Hire- Vet Medicine	
p.16 #27	Rx Monitoring Program-Pharmacy	
p.17 #29	Division of Veterans Services: Revenue Source Reallocation	
p.14 #19	DEPARTMENT OF FISH AND GAME Wildlife Projects	<i>Ray Houston Principal Budget & Policy Analyst</i>
p.15 #20	Fisheries Projects	
p.15 #21	Communications Projects	

Continued on Page 2

SELF-GOVERNING AGENCIES
Idaho Commission for Libraries:

Robyn Lockett
Senior Budget & Policy Analyst

p.16 #23 Talking Book Service Volunteer Coordinator

DEPARTMENT OF ADMINISTRATION

p.17 #30 Mail Processing Equipment

p.17 #31 Statewide E-Procurement System

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, January 10, 2014

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS PRESENT: Chairman Cameron, Vice Chairman Keough, Senators Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayne, Schmidt, Lacey

Chairman Bell, Vice Chairman Bolz, Representatives Eskridge, Thompson, Gibbs, Miller, Stevenson, Youngblood, Ringo, King

ABSENT/ EXCUSED: None

CONVENED Chairman Bell convened the meeting at 8:00 a.m..

COMMITTEE REPORT **JOINT ECONOMIC OUTLOOK AND REVENUE ASSESSMENT COMMITTEE**

PRESENTERS: Co-Chairs Senator Shawn Keough and Representative Mark Gibbs

REPORT: To see the report click on [Joint Economic Outlook and Revenue Assessment Committee](#)

We recommend to the Senate and House Leadership and to the Co-Chairs of the Joint Finance Appropriation Committee the following: in their opinion, the Governor's General Fund revenue projection of \$2,808.2 million is a reasonable forecast for revenues generated to the General Fund in FY 2014. Further, in their opinion, although the committee median is lower than the Governor's FY 2014 projection, on this date we find the Governor's projection of \$2,987.8 is reasonable to begin the FY 2015 General Fund Budgeting Process.

UNANIMOUS CONSENT: On request by Cameron, granted by unanimous consent, the Joint Legislative Economic Outlook and Revenue Assessment Committee report was accepted.

DEFICIENCY WARRANTS

IDAHO DEPARTMENT OF LANDS: Board of Land Commissioners

PRESENTER: Ray Houston, Analyst, Principal Budget & Policy Analysis,

The budget request of \$10,379,600 matches the amount of the Fire Deficiency Warrant Fund as of June 30, 2013. Costs incurred in the Fire Deficiency Fund and reimbursed by the legislature annually from the General Fund. The department participates in cooperative agreements with federal and other agencies to divvy the state's wild lands into protection districts. Last year, JFAC appropriated just over \$6 million to retire the beginning balance, then with disbursements of \$15.9 million for costs of fighting fires and receipts of \$5.5 million from cooperating agencies, that left an ending balance of \$10.4 million. This is the amount necessary to pay for the costs of fighting fires on state protected lands regardless of ownership in those districts. On a calendar year basis the 317 fires through October 1, 2013 were 79% of the 20-year average and the 7,156 acres burned were 80 percent of the 20-year average. The department estimates average calendar year 2013 General Fund obligations at \$15.6 million which will be reimbursed in FY 2015.

UNANIMOUS CONSENT On request by Keough, granted by unanimous consent, FY 2014 budget for the Department of lands was reopened.

CARRIED

Original Motion

Moved by Keough, seconded by Cameron, to approve for introduction \$10,379,600 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$10,379,600 with FTP of 0.00.

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

DEPARTMENT OF AGRICULTURE

Pest Control Deficiency Warrants

PRESENTER:

Funding is requested to reimburse actual expenditures incurred in FY 2013 for exotic or invasive species monitoring and control including gypsy moth, karnal bunt, potato cyst nematode, and other pests. The existence of exotic or invasive pests in the state and lack of information about the distribution of those pests can cause economic losses to the public by the direct effects of the pests and the placement of quarantines and import restrictions by other states and countries. Although some funding is provided in the base for water milfoil and guagga mussel prevention, there is little funding in the base budget for other survey, control and eradication activities. These programs are carried out under the deficiency warrant authority provided in Title 22 chapters 19 and 20, Idaho Code. The request will reimburse expenditures of \$17,200 in personnel costs, \$1,236,200 in operating expenditures, and \$8,400 in capital outlay less cash adjustments of \$5,100 for a total of \$1,456,700. FY 2013 costs included \$40,900 for exotic pest monitoring. \$83,400 for Japanese Beetle treatment, and \$1,227,500 for potato cyst nematode monitoring and control.

**UNANIMOUS
CONSENT:**

On request by Bolz, granted by unanimous consent, the FY 2013 budget for the Department of Agriculture was reopened.

CARRIED

Original Motion

Moved by Bolz, seconded by Youngblood, to approve for introduction \$1,456,700 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$1,456,700 with FTP of 0.00.

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

OFFICE OF THE GOVERNOR—Military Division

PRESENTER:

Richard Burns, Principal Budget & Policy Analyst,

Agency request for one-time funding to pay deficiency warrants issued in response to costs associated with the cleanup of hazardous materials incidents throughout the state.

**UNANIMOUS
CONSENT:**

On request by Bolz, granted by unanimous consent, FY 2014 budget for the Office of the Governor, Military Division was reopened

**ORIGINAL
MOTION:**

Original Motion

Moved by Bolz, seconded by Mortimer, to approve for introduction \$38,700 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$38,700 with FTP of 0.00.

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, chmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

SUPPLEMENTALS

DEPARTMENT OF CORRECTION

Commission for Pardons & Parole

PRESENTER:

Richard Burns, Principal Budget & Policy Analyst

The request for supplemental funding for ongoing funding, and recommended by the Governor, for the extradition of parole violators arrested out-of-state. According to the commission, the additional appropriation is needed to meet the requirements for the extradition of alleged parole violators as outlined in administrative rule and the interstate compact agreement.

**UNANIMOUS
CONSENT:**

On request by Bolz, granted by unanimous consent, FY 2014 budget for the Department of Correction, Commission for Pardons & Parole, was reopened.

PASSED

Original Motion

Moved by Bolz, seconded by Youngblood, to approve for introduction \$95,000 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$95,000 with FTP of 0.00.

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nay: 0

AB/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

SELF GOVERNING AGENCIES

State Appellate Public Defender

PRESENTER:

Richard Burns, Principal Budget & Policy Analyst

Supplemental request for attorney fees: Additional one-time resources are recommended by the Governor to cover a projected shortfall in hiring outside counsel. The State Appellate Public Defender is having to outsource more often due to conflicts of interest.

**UNANIMOUS
CONSENT:**

On request by Bolz, granted by unanimous consent, FY 2014 budget for the State Appellate Public Defender was reopened.

PASSED:

Original Motion

Moved by Bolz, seconded by Youngblood, to approve for introduction \$30,000 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$30,000 with FTP of 0.00.

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

SUPPLEMENTALS

DEPARTMENT OF HEALTH AND WELFARE

Indirect Support Services

PRESENTER: Jared Tatro, Senior Budget & Policy Analyst

The department requests an additional \$45,500 in dedicated appropriation to handle an estimated 700 additional background checks for guardians and conservators anticipated with the passage of H125 from the 2013 legislative session. The request includes \$19,400 for personnel costs to utilize temporary staff, and \$26,100 for operating expenditures. Of the request, \$25,500 will be transferred to Idaho State Police and \$600 will pay for ongoing IT support and various supplies. Background checks are paid for the applicant. (Ongoing)

**UNANIMOUS
CONSENT:**

On request by Schmidt, granted by unanimous consent, FY 2014 budget for the Department of Health & Welfare was reopened.

CARRIED

Original Motion

Moved by Schmidt, seconded by Stevenson, to approve for introduction \$0 General Funds, \$45,500 Dedicated Funds, \$0 Federal Funds for a total of \$45,500 with FTP of 0.00.

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

Public Health Services Division

PRESENTER: Jared Tatro, Senior Budget & Policy Analyst

Physical Health Services requests \$2 million of ongoing operating expenditures to accommodate the increase in receipts received from the purchase of medications for the Aids Drug Assistance Program (ADAP) for persons living with HIV/AIDS. The program has a base amount of about \$1.5 million and the department estimates the receipts to be about \$2 million higher than FY 2013. Several things have contributed to the growth of this program; Idaho was removed from the ADAP wait list and is therefore serving more participants, which has resulted in more AIDS medications being prescribed, which in turn resulted in an increase in rebates collected. The marketplace for AIDS medications is constantly involving with newer medications coming onto the prescription list. The program must pay market prices for ADAP medications with the program being rebated the difference between market price and the negotiated price. The expectation of the program is that all collected rebates go back into the program. (ongoing)

CARRIED

Original Motion

Moved by Schmidt, seconded by Stevenson, to approve for introduction \$0 General Funds, \$2,000,000 Dedicated Funds, \$0 Federal Funds for a total of \$2,000,000 with FTP of 0.00.

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

Division of Public Health requests \$191,000 ongoing, from dedicated funds: a decrease of \$136,000 ongoing, from federal funds; and a transfer of 1.0 FTP from Laboratory Services to support one additional EMS communication specialist position and support existing staff affected by federal sequestration. This is a result of the State Communications Center (StateComm) as managed by the Bureau of Emergency Medical Services and Preparedness, entering into a new memorandum of understanding with the Idaho Transportation Department. StateComm averages 160 calls or events each day, with most calls requiring several steps of coordination depending on the severity of the situation. The center, similar to most dispatch centers, faces high turnover and the goal is to meet the required minimum of two specialists on shift at all times. There are currently nine specialists and three supervisors. The propose position would allow for a third person during peak times and minimized call-back and overtime accrual.

CARRIED

Original Motion

Moved by Schmidt, seconded by Stevenson, to approve for introduction \$0 General Funds, \$191,000 Dedicated Funds, \$(136,000) Federal Funds for a total of \$55,000 with FTP of 0.00.

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

SUPPLEMENTALS

SELF GOVERNING AGENCIES- Medical Boards

PRESENTER: Jared Tatro, Senior Budget & Policy Analyst

Board of Dentistry: Disciplinary Hearings

The Board is experiencing increased disciplinary hearings. The board reports that it has adequate funding to cover routing legal costs, but not enough to cover expenses related to the hearing process. The board estimates that the additional hearings will cost about \$85,000 and is requesting \$52,000 with the difference being covered from existing appropriation

UNANIMOUS CONSENT: On request by Nuxoll, granted by unanimous consent, FY 2013 budget for Medical Boards: Self-Governing Agencies was reopened.

CARRIED:

Original Motion

Moved by Nuxoll, seconded by Thompson, to approve for introduction \$0 General Funds, \$52,000 Dedicated Funds, \$0 Federal Funds for a total of \$52,000 with FTP of 0.00.

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

Medicine - Confidential Legal Settlement

This supplemental is being requested to cover the costs related to a confidential legal settlement with a former employee. The settlement requires the Board of Medicine to pay the \$100,000 settlement amount. This supplemental is a one-time request. Budget documents indicate that the board has sufficient cash on hand to cover the settlement

CARRIED

Original Motion

Moved by Nuxoll, seconded by Schmidt, to approve for introduction \$0 General Funds, \$100,000 Dedicated Funds, \$0 Federal Funds for a total of \$100,000 with FTP of 0.00

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

Board of Veterinary Medicine - Allow for Temporary Hire

Veterinary Medicine is requesting a one-time transfer of \$17,800 from operating expenditures to personnel costs. This request will allow the board to continue operations while the permanent staff member attends to an ill family member. The board was able to hire an individual with prior experience with the board, which minimized training costs and allowed for a more seamless transition. The board is comprised of 2.0 FTP and has very limited flexibility in its personnel costs.

CARRIED

Original Motion

Moved by Nuxoll, seconded by Thompson, to approve for introduction \$0 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$0 with FTP of 0.00. Transfer \$17,800 from OE to PC

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

Board of Pharmacy - Prescription Monitoring Program

The Board of Pharmacy is requesting \$87,600 in one-time, federal funds for the board to continue spending a Prescription Monitoring Program Grant. The purpose of the program is to reduce the inappropriate use of controlled substance prescriptions. The grant was initially set to expire at the end of the federal fiscal year, but was extended through March 2014, to allow for the grant money to be used.

CARRIED

Original Motion

Moved by Schmidt, seconded by Stevenson, to approve for introduction \$0 General Funds, \$0 Dedicated Funds, \$87,600, Federal Funds for a total of \$87,600 with FTP of 0.00.

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

DIVISION OF VETERANS SERVICES

Revenue Source Reallocation

The division is requesting an appropriation shift of \$2,100,000 from the Miscellaneous Revenue Fund to federal funds, to account for changes in revenue sources as they relate to per diem reimbursement from the federal government, and shifts the spending authority to the fund that the division uses for receipts. The division receipts funds from Medicaid into the Miscellaneous Revenue Fund while the Veterans Affairs per diem is included in the federal funds. The new per diem plan provides that the reimbursements are for the total costs and the division cannot bill Medicaid directly. The new plan provides that the reimbursements on a flat rate as determined by the Veterans Administration.

**UNANIMOUS
CONSENT:**

On request by Eskridge, granted by unanimous consent, the FY 2013 budget for the Division of Veterans Services was reopened.

CARRIED:**Original Motion**

Moved by Eskridge, seconded by Youngblood, to approve for introduction \$0 General Funds, \$(2,100,000) Dedicated Funds, \$2,100,000 Federal Funds for a total of \$0 with FTP of 0.00.

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0**Ab/Ex: 0**

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

DEPARTMENT OF FISH AND GAME**Wildlife Projects****PRESENTER****Ray Houston, Principal Budget & Policy Analyst**

This request is part of an effort to spend federal and privately funded project moneys recently acquired by the department. All supplemental requests are one-time but ongoing authority is requested in FY 2015 line items. This request is for four purposes and amounts to \$514,500 in personnel costs and \$673,500 in operating expenditures for a total of \$1,188,000. First, the department requests \$520,300 from Pitman-Robertson moneys for wildlife habitat maintenance on wildlife management areas, population surveys, wildlife research, and sportsmen outreach. The 25% match will be provided from existing budgets and in-kind match. Second, the department requests \$292,400 from a US Fish and Wildlife multi-species baseline initiative grant to conduct a survey and habitat assessment for a variety of species in Northern Idaho. Third, the department requests \$100,300 from Helca Mining Company moneys to implement habitat improvement remediation efforts for long-term damage caused by mining in the Coeur d'Alene River basin. And fourth, the department requests \$275,000 from federal transportation moneys routed through ITD to develop an integrated transportation and environmental planning process. The project will provide web-based information delivery, updated wildlife and habitat data layers, and prioritized lists and locations for wildlife crossings. Information will be used for planning, design, and construction of highways. (one-time)

**UNANIMOUS
CONSENT:**

On request by Lacey, granted by unanimous consent, the FY 2014 budget for the Department of Fish and Game was reopened.

CARRIED:**Original Motion**

Moved by Lacey, seconded by Youngblood, to approve for introduction \$0 General Funds, \$237,800 Dedicated Funds, \$812,700 Federal Funds for a total of \$1,050,500 with FTP of 0.00.

Ayes: 19

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nay: 0 Ab/Ex: 1

Eskridge

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

Fisheries

The department requests \$197,700 in personnel costs, \$616,400 in operating expenditures, and \$200,000 in capital outlay for seven fisheries projects. First, the department requests \$200,000 from Bonneville Power 'administration (BPA) moneys to instill fish screens, fish bypass systems and fishways in the upper Salmon River drainage. Funding as approved by FY 2013 but high stream flows and personnel vacancies delayed the work. Second, the department requests \$42,000

CARRIED

Original Motion

Moved by Schmidt, seconded by Stevenson, to approve for introduction \$0 General Funds, \$0 Dedicated Funds, \$87,600 Federal Funds for a total of \$87,600 with FTP of 0.00.

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

Communications

The department requests funding in the amount of \$15,300 in personnel costs and \$150,000 in operating expenditures for three purposes in the Communications Program, First, the department requests \$50,3000 from the Pittman-Robertson moneys to include a recruitment and retention component to the hunter education program to have non-benefited temporary employees not only train and certify hunters, but to also have them get experienced mentors into the field with new hunters. Second, the department requests \$45,000 from donations and program income to over increasing operating costs at the MK Nature Center. And third, the department requests \$70,000 from federal Pittman-Robertson moneys to supplement the \$120,000 fine and forfeiture appropriation for shooting range improvements. Each year the department receives about \$200,000 in grant requests, so the objective is to address the FY 2014 demand. (One-time)

SELF GOVERNING AGENCIES

Idaho Commission for Libraries

PRESENTER: Robyn Lockett, Senior Budget & Policy Analyst

The commission requests \$40,000 in personnel costs from the Federal Grant Fund, in order to have all personnel with primary responsibility for the Talking Book service Grant paid from the same fund. The Talking Book Service Works in partnership with the local community to promote and deliver books and other services to people with special needs. This request will streamline the commission's annual federal reporting requirements and simplify monitoring the total costs of the program. Specifically, the \$40,000 will pay for one volunteer services coordinator position that is currently vacant and unfunded.

**UNANIMOUS
CONSENT:**

On request by King, granted by unanimous consent, FY 2013 budget for the Idaho Commission for Libraries was reopened.

CARRIED

Original Motion

Moved by King, seconded by Thompson, to approve for introduction \$0 General Funds, \$0 Dedicated Funds, \$40,000 Federal Funds for a total of \$40,000 with FTP of 0.00.

Ayes: 19

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Eskridge

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

DEPARTMENT OF ADMINISTRATION

Mail Processing Equipment

PRESENTER: Robyn Lockett, Senior Budget & Policy Analyst

Mail Processing Equipment

The department requests a total of \$64,800 from the Administration & Accounting Services Fund to retrofit mail processing equipment necessary to comply with U.S. Post Office requirements that were changed in April 2013. The request is \$52,800 in one-time funds and \$12,000 in ongoing funds. Compliance will allow the state to continue receiving discounts from the federal postal service. The total discounts received in FY 2013 were \$550,000.

**UNANIMOUS
CONSENT:**

On request by Thompson, granted by unanimous consent, FY 2014 budget for the Department of Administration was reopened.

CARRIED

Original Motion

Moved by Thompson, seconded by King, to approve for introduction \$0 General Funds, \$64,800 Dedicated Funds, \$0 Federal Funds for a total of \$64,800 with FTP of 0.00. OT = \$52,800

Ayes: 19

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Eskridge

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

Statewide E-Procurement System

Request: \$100,000 in one-time operating expenditures from the Administration & Accounting Services Fund .

CARRIED

Original Motion

Moved by Thompson, seconded by Youngblood, to approve for introduction \$0 General Funds, \$100,000 Dedicated Funds, \$0 Federal Funds for a total of \$100,000 with FTP of 0.00.

Ayes: 19

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1:

Eskridge

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

Representative Bell
Chairman

Kathryn Yost
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Monday, January 13, 2014

HEALTH & HUMAN SERVICES WEEK

TIME	DESCRIPTION	PRESENTER
8:00-9:00	Department of Health & Welfare Overview LBB Page 2-7	<i>Dick Armstrong, Director</i>
9:00-10:00	Child Welfare & Service Integration LBB Pages 2-13 and 2-63	<i>Rob Luce, Administrator</i>
10:00-10:10	<i>Break</i>	
10:10-11:00	Indirect Support Services LBB Page 2-27	<i>David Taylor, Deputy Director</i>

Senate Reconvenes: 11:30am

House Reconvenes: 11:00am

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Monday, January 13, 2014
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Chairman Cameron, Vice Chairman Keough, Senators Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey
Chairman Bell, Vice Chairman Bolz, Representatives Eskridge, Thompson, Gibbs, Miller, Stevenson, Youngblood, Ringo, King
ABSENT/ EXCUSED: None
STAFF PRESENT: Tatro
CONVENED: Chairman Cameron convened the meeting at 8:00 a.m.
DEPT. OF HEALTH AND WELFARE PRESENTATION: **DEPARTMENT OF HEALTH AND WELFARE**
Child Welfare and Service Integration
Richard Armstrong, Director, Department of Health and Welfare

To view **Mr. Armstrong's** presentation, click the following link [Health and Welfare Overview](#)

Mr. Armstrong discussed the following areas: 1) budget recommendations for his department, 2) challenges the Department is facing to integrate the Medicaid eligibility system with the federally facilitated marketplace, 3) a workforce update, 4) three important State initiatives for FY 2015 that could have a lasting impact on Idaho citizens, and 5) the concept of a "livable wage" and its impact on public assistance programs.

The FY 2015 Governor's budget recommendation totals \$2,537,477,000 with \$632,363,800 from General Funds and 2,848.16 full-time positions. It is a maintenance budget with a total increase of 1.6% from last year. There was a slight increase in general funds and a decrease in receipts, mainly due to a reduction in pharmacy receipts. Medicaid was 80.6% of the entire Department's budget, down from 81.4% last year. Most money appropriated to the Department is paid directly to Idaho citizens and healthcare and social service providers.

A frustrating challenge concerns the Affordable Care Act. Because Idaho's state-based marketplace is not yet functional, Idaho consumers apply for tax credits and shop for private insurance through the federal marketplace. Initially Idaho agreed to accept federal determinations of Idaho Medicaid eligibility. Test files used to verify eligibility were supposed to be received in October, 2013; that information was not received until the first part of January, 2014. A letter was sent to Secretary Sebelius stating that Idaho would not accept federal Medicaid determinations at face value as of January 1, 2014, when Idaho had no opportunity to validate federal decisions. Therefore, Idaho is requesting separate Medicaid applications processed by state eligibility workers to protect program integrity until full testing, which takes about four weeks, is completed. Transitioning to a state-based exchange will make it easier for consumers to evaluate and apply for coverage, while assuring accurate Medicaid eligibility determinations.

Mr. Armstrong also discussed workforce issues. DHW turnover in FY 13 was 15% involving 339 employees. High workload, stress and pay were contributing factors in employee turnover. A fundamental shift in the workforce occurred since the recession which necessitated reorganizing and consolidating positions to meet demands. The Department continues to lose experienced, high-performing workers, especially eligibility workers and child protection social workers. Employees are the Department's most valuable asset and the CEC Committee's recent recommendation for a state employee raise is encouraged and supported by the Department of Health and Welfare.

The Department strongly supports three initiatives that could have an impact on the citizens of Idaho. The first is a state funded program that establishes behavioral health community crisis centers for people with behavioral health disorders in order to reduce incarcerations and hospital emergency room use. Initially the plan would be to pilot three crisis centers and expand to seven centers based on success and costs. The second initiative, federally funded, is a Title IV-E Child Welfare Pilot to reduce foster care entries by allowing alternative use of federal funds targeting prevention rather than waiting until children enter the foster care program. Long-term outcomes for children improve if families can safely remain together while problems are addressed. The third initiative is the State Healthcare Innovation Plan known as SHIP which is a partnership with healthcare providers, insurers and participants that pays to oversee patients' healthcare needs within a medical neighborhood in order to improve patient outcomes (rather than paying for the number of services provided). In other words the initiative would transform healthcare from a volume-based to value-based system.

There is a concern about the number of people on public assistance in Idaho. **Director Armstrong** reviewed the enrollment of four public assistance programs over a 12-year period: Cash Assistance, Medicaid, Food Stamps, and Child Care. DHW serves over 20% of Idaho's population in these four programs, an increase from 13% ten years ago. It might appear there is a growing dependence on government welfare; however, **Mr. Armstrong** referred to a report from the CATO Institute entitled, "Work vs. Welfare Tradeoff 2013," that ranks Idaho lowest of all states with a total benefit package of \$5.36 per hour for a full-time worker. In the same CATO report, another chart showed Idaho number one for the percentage of adults receiving TANF (Temporary Assistance for Needy Families) benefits who participate in work activities. As the Department analyzed the high number of working people who continue qualifying for public assistance, administrators learned from the Idaho Department of Labor that since the recession there has been a fundamental shift in jobs from goods production (construction and

manufacturing) to service industry, People are returning to work as unemployment falls, but often earn less; service jobs pay approximately \$10,000 less per year than production jobs. People are working but not earning as much. Idaho's individual median income is the lowest in the nation at \$23,200 per year (\$11.15/hr), The national average is \$29,538 (\$14.20/hr). There are 121,000 households in Idaho with collective incomes below Idaho's median wage. Many Idaho incomes fall below the minimum standard of living which requires private, family, or government assistance. Idahoans must earn a "livable wage" to reduce the need for public assistance. Until wages improve, there will be high utilization of public assistance programs.

DIVISION PRESENTATION: **DIVISION OF FAMILY AND COMMUNITY SERVICES (FACS)**
Child Welfare and Service Integration
Robert B. Luce, Division Administrator

To view the presentation, please click the following link [Child Welfare and Service Integration](#)

CHILD WELFARE The presentation by **Mr. Luce** covered the following areas: 1) a brief overview of facts, figures and trends from last year, 2) FY 2015 budget recommendation, 3) one supplemental request, and 4) two line items.

Child Welfare is focused on protecting children. The program is statutorily responsible for child protection, foster care, adoption, compliance with the Indian Child Welfare Act, and compliance with the Interstate Compact on the Placement of children. Last year there were 19,324 total referrals, 2,388 foster care placements, 1,324 children in care on June 30, 2013, and 331 finalized adoptions.

The FACS recommended FY 2015 budget represents only 3.9% of the entire DHW budget, and the Child Welfare amount totals \$59,666,700 with 388.75 full-time employees; only 31.5% of the recommendation amount is from state general funds, the remainder comes from federal dollars. The one supplemental is a funding adjustment requesting a net zero funding transfer to correct the funding mix and align appropriations with the proper expenditure categories within two child welfare budget units. The total appropriation does not change.

There are also two line items in the child welfare budget. The first is a request to internally transfer eight unfunded full-time child welfare social worker positions from the Southwest Idaho Treatment Center to the child welfare program. The additional FTP will provide front line services in child welfare to maintain children (who would otherwise be in foster care) safely in their own homes. Also, ongoing personnel funding of \$976,100 is requested to support the eight new positions and provide discretionary funding for six established but unfunded positions within child welfare. The funds will provide flexibility to increase salaries in order to recruit and retain quality candidates for this high-turnover job class. The second line item is a request to increase federal authority as a result of the Title IV-E waiver which allows restricted federal funds to be used for children who would not otherwise be eligible for the funds to remain safely in their homes rather than being placed in foster care.

SERVICE INTEGRATION The Service Integration presentation included an overview of facts and trends, the FY 2015 budget recommendation, and one supplemental request to increase federal authority.

To view the presentation, please click on the following link [Child Welfare and Service Integration](#)

Service Integration is a short-term, solution-focused service that helps Idahoans who are experiencing temporary instability link to community services and support. The program is focused on prevention, strengthening families and supporting kinship care. The two components to the program are the 2-1-1 CareLine and Navigation. There were 158,570 calls to the CareLine and Navigation served 10,318 individuals, families and children last year. There are over 29,000 children (6% of all children in Idaho) who are not living with their parents and are cared for by other relatives; more than 22,000 live in grandparent-headed households. Navigation helps maintain and support relative placements thereby avoiding higher costs associated with foster care and residential care.

The recommended budget for Service Integration is \$5,800,400. Only 15.7% or \$910,700 comes from General Funds. The one supplemental request is for additional federal spending authority in personnel for \$530,300.

DIVISION Indirect Support Services
PRESENTATION: David N. Taylor, CPA, CFE, Deputy Director

Mr. Taylor gave an overview of the Governor's FY 2015 recommended budget for Indirect Support Services, reported on some legislative intent language, and provided a summary and review of the Department's legislative audit findings.

To view the presentation, please click the following link [Indirect Support Services](#)

Support Services provides administrative functions for the Department of Health and Welfare including operational, financial and information technology services. The Governor's recommended FY 2015 budget totals \$40,902,900 which is 1.6% of the entire DHW budget with \$18.4 million coming from the General Fund. The Governor's recommendation includes an FY 14 supplemental giving spending authority for court-appointed guardians criminal history background check fees. The FY 2015 budget recommendation also includes replacement items totaling \$3,409,500 (\$1.9 million in one-time general funds and \$1.5 million in one-time federal funds) and the following three line items: mandatory medical changes for 24/7 IT operations, two financial services positions, and welfare fraud staffing.

Mr. Taylor briefly discussed some legislative intent language enacted last session as House Bill 328 which required Legislative Audit to conduct a management review to assess spending compliance with appropriations for the Division of Public Health. DHW has agreed to implement the two recommendations from the audit. The report was also to provide information about staffing and accounting processes that would be affected by a change in a single fund or Cooperative Welfare account to a multi-fund system for the Division of Public Health. The Department agreed with the two main conclusions.

Over the past twelve months DHW has taken the following steps to improve its responsiveness: 1) held an audit entrance conference in August, 2013, involving about 40 department and audit staff, 2) improved the SharePoint site which is an internal website for sharing and archiving information between Department and audit staff, 3) established monthly meetings with individual division administrators and staff responsible for addressing audit findings in order to receive in-person updates on progress made to address audit findings, 4) continued the practice of holding regularly scheduled meetings with Legislative Audit's Managing Auditor and Senior Staff Auditor assigned to DHW, and 5) worked with the local chapter of the Association of Government accountants to establish a grant training workshop attended by several Department financial and program staff. When the 2011 audit was initially issued in May of 2012, the Department had 17 open audit findings. Of the three audit findings that remain open, one relates to the Department's Medicaid Management Information System data-mining tools and is expected to be closed. Because the Department disagrees with the second finding, it is currently under review by federal partners, and the third open finding will be discussed by Russ Barron, Division Administrator for the Division of Welfare, at tomorrow's hearing.

Senator Cameron
Chair

Peggy Moyer
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Tuesday, January 14, 2014

HEALTH AND HUMAN SERVICES WEEK

TIME	DESCRIPTION	PRESENTER
8:00-9:00	Division of Welfare LBB Page 2-71	<i>Russ Barron</i> <i>Division Administrator</i>
9:00-9:45	Division of Medicaid LBB Page 2-35	<i>Paul Leary</i> <i>Division Administrator</i>
9:45-10:00	<i>Break</i>	
10:00-10:45	Division of Medicaid (Continued)	
10:45-11:00	Licensing and Certification LBB Page 2-83	<i>Tamara Prisock</i> <i>Division Administrator</i>

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, January 14, 2014
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Chairman Cameron, Vice Chairman Keough, Senators Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey
Chairman Bell, Vice Chairman Bolz, Representatives Eskridge, Thompson, Gibbs, Miller, Stevenson, Youngblood, Ringo, King
ABSENT/ EXCUSED: None
STAFF PRESENT: Jared Tatro
CONVENED: Chairman Bell convened the meeting at 8:00 a.m.
DEPARTMENT OF HEALTH AND WELFARE
DIVISION OF WELFARE
PRESENTER: **Russ Barron, Administrator**, presented an overview of the (1) Division of Welfare budget; (2) services provided to Idaho families; (3) review investment; (4) Medicaid readiness; (5) review of the Governor's budget. To view the presentation click on [Division of Welfare](#)
MEDICAL ASSISTANCE SERVICES
PRESENTER: **Paul Leary, Administrator** presented an overview of (1) high level overview of budget recommendation; (2) update on legislative intent - SB 1190; (3) Medicaid budget request. To see the presentation click on [Division of Medicaid](#)
LICENSING AND CERTIFICATION
PRESENTER: **Tamara Prisock, Administrator** presented (1) An overview of the Division of Licensing and Certification, including accomplishments and current challenges; (2) One budget recommendation. To view the presentation click on [Licensing and Certification](#)
ADJOURN: There being no further business to come before the Committee, Chairman Bell adjourned the meeting at 10:25 a.m.

Representative Bell
Chair

Kathryn Yost
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Wednesday, January 15, 2014

HEALTH AND HUMAN SERVICES WEEK

TIME	DESCRIPTION	PRESENTER
8:00-8:40	Mental Health Services LBB Page 2-43	<i>Ross Edmunds</i> <i>Division Administrator</i>
8:40-9:10	Substance Abuse Treatment & Prevention LBB Page 2-67	<i>Ross Edmunds</i> <i>Division Administrator</i>
9:10-9:40	Psychiatric Hospitalization LBB Page 2-47	<i>Ross Edmunds</i> <i>Division Administrator</i>
9:40-9:50	<i>Break</i>	
9:50-10:20	Public Health Services LBB Page 2-55	<i>Elke Shaw-Tulloch</i> <i>Division Administrator</i>
10:20-11:00	LSO Audit Management Report FY 11 & 12: Review of the Division of Public Health Appropriation and Accounting Structure	<i>April Renfro</i> <i>Audit Division Manager</i> <i>Legislative Services Office</i>

Senate Reconvenes: 11:30am

House Reconvenes: 11:00am

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, January 15, 2014
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Chairman Cameron, Vice Chairman Keough, Senators Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey
Chairman Bell, Vice Chairman Bolz, Representatives Eskridge, Thompson, Gibbs, Miller, Stevenson, Youngblood, Ringo, King
ABSENT/ EXCUSED: None
STAFF PRESENT: Tatro
CONVENED: Chairman Cameron convened the meeting at 8:00 a.m.
DEPT. OF HEALTH AND WELFARE PRESENTATION: **Division of Behavioral Health
Mental Health Services
Ross Edmunds, Division Administrator**

To view the presentation, please click the following link [Mental Health Services](#)

Mr. Edmunds discussed the following areas in the Division of Behavioral Health: the FY 2015 Governor's budget recommendation, the Division's structure, adult mental health, children's mental health including a Legislative Audit finding, an update on the Jeff D lawsuit, and follow-up information from the 2013 legislative session.

The FY 2015 recommended budget for the Division of Behavioral Health totals \$86.4 million which represents 3.4% of the entire budget for the Department of Health and Welfare. The Division's budget is broken down into three areas: Mental Health Services makes up 44% or \$38 million; Substance Abuse amounts to 18.7% or \$16.2 million; and Psychiatric Hospitalization amounts to 37.3% or \$32.3 million. The administrative side of the Division includes quality assurance/automation, data, policy and operations and has 39 full-time employees. The regional/hospital portion of the organizational structure has 660 full-time employees and includes State Hospital North (north hub), State Hospital South (east hub), and the southwest hub.

The five priority areas in adult mental health and the number of people in each group in FY 13 were 1) emergency psychiatric services - 5,051 people, 2) committed clients - 1,166 people, 3) court-ordered clients - 1,704, 4) mental health court participants - 227, and 5) eligible clients without benefits 1,272. There is a growing demand for crisis services; protective holds and civil commitments grew from 3,746 in FY 09 to 5,051 in FY 2013. There is a plan to pilot three regional community crisis centers in various parts of the State which would require \$5,160,000 (\$600,000 is one-time federal money). It is anticipated that law enforcement intervention and expensive hospitalization would be reduced. The estimated need is one bed per 10,000 population. If the pilot project is successful the program could be expanded from three to seven centers throughout the State.

The budget for Children's Mental Health (CMH) amounts to \$12.4 million with 63.5% of that amount or \$7.9 million coming from General Funds. The three priority areas for the Children's Mental Health program are: 1) emergency psychiatric services, 2) court-ordered clients, and 3) eligible clients without benefits. Total number of children served in FY 2013 was 2,468 broken down as follows: crisis, 68 children; court ordered, 528 children; and voluntary, 1,874 children.

Mr. Edmunds gave a brief update on the Jeff D lawsuit, which was a 1980 class-action suit filed against the State of Idaho challenging how emotionally and mentally disabled children were treated, claiming substandard mental health care for children. The lawsuit alleged that inadequate care was a violation of the children's constitutional rights. Parties reached agreement to remedy the deficiencies and thereafter some consent agreements were entered into but, subsequently, some appeals were filed. The district court vacated the consent decrees in 2007. In 2011 the appeals court determined the State of Idaho did not provide a standard for determining compliance to the original action plan. Currently, the State is collaborating with the plaintiffs with assistance of a mediator in hopes of establishing a system that is satisfactory to all. The mutual goal is that Idaho meet its legal obligation to provide services to children with serious emotional disturbance.

Legislative audit finding 12F-10 regarding internal controls to ensure compliance with Social Service Block Grant (SSBG) requirements for Children's Mental Health was discussed briefly. The Division is working with the Legislative Audit office to provide further data and demonstrate appropriate controls are in place.

The following information relates to legislation enacted during the 2013 legislative session. The Suicide Prevention Hotline established and funded last year has received 1,077 calls of which 67 are considered "rescue calls." The telephone lines are staffed Monday through Wednesday from 9:00 a.m. to 9:00 p.m. and Thursday and Friday from 9:00 a.m. until 1:00 a.m. Mental Health Services contributes \$50,000 annually for this hotline service. The Suicide Prevention Hotline will be staffed around the clock beginning in November, 2014. Also in the 2013 legislative session \$327,000 was transferred to the Department of Juvenile Corrections for a joint program to maintain clinicians in juvenile detention centers.

Substance Abuse Treatment and Prevention

Ross Edmunds, Administrator, Division of Behavioral Health

To view the presentative, please click on the following link [Substance Abuse Treatment and Prevention](#)

The FY 2015 Governor's budget recommendation for Substance Abuse is \$16.2 million or 18.7% of the Behavioral Health Division budget; 77% of the funding comes from federal funds. The Access to Recovery III Grant for \$7.4 million has served over 4,000 clients. There is the possibility of another ATR grant. Mr. Edmunds supports a one-time transfer of \$704,000 to the courts for domestic violence court and for misdemeanor drug courts. An emerging concept in Idaho is the use of recovery centers. There is a definite distinction between recovery centers and crisis centers. A crisis center is a place to go when a person has a crisis (suicidal, etc.) and a recovery center is a place in the community where a person can go after the crisis is over in order to maintain recovery. A recovery center needs to be community driven and be a place where individuals can go to access workshops, training, and education to enhance their work.

Substance use disorders prevention is required by the federal block grant through a maintenance of effort. Approximately \$1.6 million must be spent on prevention. Mr. Edmunds is very pleased with the interagency transfer to the Office of Drug Policy for administration of the prevention system in Idaho. A data analyst position is being transferred to ODP for required reporting and epidemiology.

As a follow-up note to the 2013 legislative session regarding substance abuse network management and service coordination, a new contract began in September of 2013. It requires all providers to use the same electronic health record. There is increased collaboration.

Psychiatric Hospitalization

Ross Edmunds, Administrator, Division of Behavioral Health

To view the presentation, please click the following link [Psychiatric Hospitalization](#)

Mr. Edmunds discussed the FY 2015 budget recommendations, core functions of state hospitals, information about State Hospital South, State Hospital North, community hospitals, and he gave an update on the workforce.

The Governor's recommended FY 2015 budget for Psychiatric Hospitalization is \$32.3 million which is 37.3% of the Division's budget. General Fund dollars are the main source of funds at \$19.5 million or 61.4% of the budget. State Hospital South receives \$21.2 million or 65.7% of that amount, State Hospital North receives \$8.3 million or 25.6% and Community Hospitalization receives \$2.8 million or 8.6%. Daily psychiatric hospital rates are as follows: community hospitalization, \$760; State Hospital North, \$552; and State Hospital South, \$533.

The core functions of state hospitals are to stabilize the psychiatric condition, reduce self-harm, reduce risk of harm to others, assess, diagnose and treat presenting conditions, restore competency for standing trial, and to coordinate with Regional Mental Health Clinics for transition of patients. He discussed 30- and 180-day readmission graphs; Idaho is far below the national average in both categories. Both of the state hospitals are requesting to spend \$85,000 from endowment funds for a student loan repayment program. The hospitals are having difficulty filling mid-level practitioner and physician positions due to low salary, lack of loan repayment, and hospital location. Repayments for individual physicians will not exceed \$75,000 and loan repayments for mid-level practitioners will not exceed \$50,000. There is also another line item in the budget for \$65,600 to support the ongoing implementation of an electronic records system by allowing both state hospitals to acquire the Release of Information software. It will allow for more accurate, complete, legible, and timely documentation of patient care. The request will be 100% funded from endowment funds. There is also a request for replacement items totaling \$610,500: \$280,700 at State Hospital South and \$329,800 at State Hospital North.

State Hospital South, located in Blackfoot, has been in operation since 1886. It has 90 adult psychiatric and 16 adolescent beds, and 29 psychiatric skilled nursing beds. The hospital is accredited by the Joint Commission. While admissions have risen from 363 in FY 09 to 550 in FY 13, the length of stay during that time has decreased. The Governor has recommended an increase of four FTP which would be 100% funded through increased receipts.

State Hospital North, located in Orofino, is licensed by the State and has been in operation since 1905. There are 60 adult psychiatric beds currently staffed for 55 beds. Admissions at State Hospital North have actually declined because of inability to retain medical help; the length of a hospital stay has trended up but that average is skewed due to the discharge of a long-term patient. The Governor has recommended an increase of one FTP for a Chief of Psychology position to be funded through the endowment fund distribution to SHN. The position would manage the clinical staff at SHN and add necessary forensic expertise to treat mentally ill patients involved in the criminal justice system.

Regarding community hospitalization, there are ten private psychiatric hospitals statewide with central management of contracts. Community hospitals hold those committed until arrangements and space is made for transfer to a state hospital. There is increased demand for crisis services which include protective holds and civil commitments. Holds have continued to increase from 3,746 in FY 2009 to 5,051 in FY 2013.

Mr. Edmunds discussed workforce challenges explaining the difficulty the department has in recruiting psychiatrists at both of the State hospitals. He believes options such as the loan repayment program, recruitment bonuses and salary increases will alleviate these problems.

**DIVISION OF
PUBLIC HEALTH:**

Elke Shaw-Tulloch, Division Administrator, Division of Public Health

To view the presentation, please click on the following link [Division of Public Health](#)

Ms. Shaw-Tulloch discussed general information about Public Health, listed some of the Division's successes and recent reviews/audit, and presented the Governor's FY 2015 budget recommendations. The Division of Public Health Services includes Physical Health Services, Emergency Medical Services, and Laboratory Services.

Some of the successes were the WIC Breastfeeding program that serves over 50% of all infants born in Idaho. Idaho lead the nation for the highest percentage of infants who were breastfed. The Division also successfully transitioned the Boise TB clinic from Central District Health to the Family Medicine Residency of Idaho. The STEVE (State and Territorial Exchange of Vital Events) system was installed which allows Idaho to be rapidly notified when someone born in Idaho has passed away in another state. The Division also convened a workgroup of stakeholders to explore a statewide system of care for trauma, stroke and heart attack.

Ms. Shaw-Tulloch indicated a review of the Division was conducted to address specific legislative intent language included in House Bill 328 from the 2013 legislative session. The intent was to assess spending compliance with appropriations. The Legislative Audit Division of Legislative Services had three findings. The Division also had a performance review by the Office of Performance Evaluation.

The Governor's recommended FY 2015 budget is for \$109.6 million with 213.50 FTP which includes some line items as well as \$364,400 one time for replacement and repair items for Laboratory Services to address safety and security issues. There are five FY 2014 supplemental items including 1) dedicated vaccine fund spending authority increase, 2) TRICARE-insured children vaccine recommendation, 3) state communications workload (receipt authority increase), 4) AIDS Drug Assistance Program receipt authority increase, and 5) federal fund personnel authority increase.

LSO AUDIT REPORT ON PUBLIC HEALTH DIVISION

LSO AUDIT MANAGEMENT REPORT FOR FY 2011 AND 2012 April Renfro, Audit Division Manager, Legislative Services Office

To view the presentation, please click on the following link [Audit Management Report FY 11 and FY 12](#)

Ms. Renfro indicated the objectives of the audit were to review accounting processes to determine potential changes needed if the Division of Public Health went to a multi-fund process to track general, dedicated and federal spending and to review the Division's compliance with appropriation bills for FY 2011 and FY 2012. The Division receives appropriated authority to spend funds under three programs within six different funds, and through four categories of expenditures. Legislative Audits Division had three findings. Finding 1: over the two-year period, three programs within the Division of Public Health exceeded appropriated amounts by approximately \$67,000. Finding 2: transfers of legislative appropriation between expenditure categories intended to ensure compliance lacked proper approvals. Finding 3: accounting structure and staffing changes necessary to convert to a multi-fund structure. (Such actions may increase transaction costs incurred.) The third finding does not have a recommendation requiring corrective action but identifies potential changes to consider if the accounting structure is modified.

The Public Health Division within the Department of Health and Welfare had the following responses. Regarding the potential accounting structure changes: 1) the Department feels it will work in part but converting to a multi-fund structure would make the allocation of Public Health's administrative costs across multiple grants very difficult, 2) flexibility of a Cooperative Welfare Fund would be lost, 3) the Department would not be able to implement certain legislative intent nor deal with challenges brought by a federal shutdown, 4) the Department agreed to begin documenting and entering necessary transfer and adjusting entries into FISCAL for state FY 2014, and 5) some adjustments will still be reflected on budgetary documents due to timing concerns. Regarding potential staffing changes the Department: 1) was unable to determine the impact on the budget analyst workload but feels it would be more than minimal, 2) agrees additional data entry will be necessary to record transactions, and 3) agrees that additional reconciliation tasks would be assigned to a cash manager, but is unable to determine the exact impact on staff workload.

ADJOURN: Chairman Cameron adjourned the meeting at 10.38 a.m.

Senator Cameron
Chair

Peggy Moyer
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Thursday, January 16, 2014

HEALTH AND HUMAN SERVICES WEEK

TIME	DESCRIPTION	PRESENTER
8:00-8:30	Services for the Developmentally Disabled LBB Page 2-19	<i>Rob Luce Division Administrator</i>
8:30-9:10	Performance Audit: <i>Explaining How Appropriated Funds Move Through the Department of Health & Welfare</i>	<i>Rakesh Mohan, Director Lance McCleve, Principal Performance Evaluator Office of Performance Evaluations</i>
9:10-9:50	Catastrophic Health Care Program LBB Page 2-3	<i>Roger Christensen Chairman</i>
9:50-10:00	<i>Break</i>	
10:00-10:30	Public Health Districts LBB Page 2-87	<i>Rene LeBlanc Director, Health District #5</i>
10:30-11:00	Division of Veterans Services LBB Page 5-111	<i>Colonel David Brasuell Division Administrator</i>

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, January 16, 2014

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS PRESENT: Chairman Cameron, Vice Chairman Keough, Senators Mortimer, Vick, Nuxoll, Johnson, Bayer, Schmidt, Lacey

Chairman Bell, Vice Chairman Bolz, Representatives Eskridge, Thompson, Gibbs, Miller, Stevenson, Youngblood, Ringo, King

ABSENT/ EXCUSED: Senator Thayn

STAFF PRESENT: Jared Tatro

CONVENED: Chairman Bell convened them meeting at 8:00 a.m.

DEPARTMENT OF HEALTH AND WELFARE

Division of Family & Community Services

PRESENTER: Robert B. Luce, Administrator

Topics of discussion:

- 1) Facts, figures & trends for two programs: Services for individuals with Developmental Disabilities: Southwest Idaho Treatment Center (SWITC) and Community Development Disabilities (DD)
- 2) 2015 budget recommendations
- 3) Transfer 17 unfunded FTE from SWITC to other programs within the Department of Health and Welfare. To see presentation click on Services for the Developmentally Disabled. To view the presentation click on [Division of Family Community Services](#)

REPORT: The Department of Health and Welfare's Management of Appropriated Funds

PRESENTER: Rakesh Mohan, Director, and Lance McCleve, Principal Performance Evaluator, Office of Performance Evaluations

Key Findings:

Financial information is complex but understandable.

The cooperative welfare fund serves a specific purpose.

Financial management systems are set up for federal reporting.

Health and Welfare's physical organization is comparable to those in other states.

To view the total report click on [Performance Audit](#)

Catastrophic Health Care Program (CAT)

PRESENTER: Roger Christensen, Chairman of the Board

Reviewed:

- 1) CAT case load
- 2) Hospital/Provider Payments
- 3) Patient Reimbursements
- 4) Total for combined state & county case load
- 5) FY 2014 projections and estimate for FY 2015
- 6) Costs of administering the program
- 7) Law and the CAT program To view the presentation click on [Catastrophic Health Care Program](#).

IDAHO PUBLIC HEALTH DISTRICTS

PRESENTER: Tom Faulkner, Gooding County Commissioner and Trustee, South Central Public Health District Board (PHD 5)

The local public health districts in Idaho may change significantly when the Affordable Care Act is fully implemented. Local public health districts will surely have an increased role in health prevention strategies in the areas: tobacco use, sexually transmitted disease, reproductive health, Obesity, Diabetes, Cancers of types.

At the 2013 annual meeting of the Idaho Association of Districts Boards of Health, passed two resolutions: 1) a review and analysis of existing district cost in the Food Safety Program for a potential increase to the Food Permit Fees: and) support for Medicaid expansion (Redesign).

Mr. Faulkner explained the procedures utilized in distributing lump sum appropriations through the Public Health Trust Fund.

PRESENTER: Rene LeBlanc, District Health Director, South Central Public Health District (PHD 5)

Reviewed:

Audits, Office of Performance Evaluation, legislation and FY 2015 budget proposal. To view the presentation click on [Public Health Districts](#)

IDAHO DIVISION OF VETERAN SERVICES

PRESENTER: Colonel David Brasuell, Administrator

Colonel Brasuell discussed:

Challenges, veterans benefit assistance, reaching out to Idaho Veterans, helping veterans with education, Idaho State Veterans Home, Idaho State Veterans Cemetery. General fund use, Veterans Recognition Fund, Projects & capital improvement, repairs, replacement items/alteration. Line item requests. To view the presentation click on [Division of Veteran Services](#)

ADJOURN: There being no further business to come before the Committee, Chairman Bell adjourned the meeting at 10:39 a.m.

Representative Bell
Chair

Kathryn Yost
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Friday, January 17, 2014

HEALTH AND HUMAN SERVICES WEEK

TIME	DESCRIPTION	PRESENTER
8:00-8:30	Commission on Aging LBB Page 6-49	<i>Sam Haws Administrator</i>
8:30-8:50	Commission on Hispanic Affairs LBB Page 5-69	<i>Margie Gonzalez Executive Director</i>
8:50-9:20	Commission for the Blind and Visually Impaired LBB Page 6-61	<i>Angela Jones Administrator</i>
9:20-9:30	<i>Break</i>	
9:30-10:00	Division of Vocational Rehabilitation LBB Page 1-117	<i>Donald Alveshere Administrator</i>
10:00-10:30	CEC Committee Recommendation (Change in Employee Compensation)	<i>Senator John Tippetts, Representative Neil Anderson CEC Committee Co-chairs</i>
10:30-10:55	Department of Correction Idaho Correctional Center Transition to State Operation LBB Page 3-15; <i>Supplemental Schedule p.10 #12</i>	<i>Brent Reinke, Director Kevin Kempf, Deputy Director</i>

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, January 17, 2014
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Chairman Cameron, Vice Chairman Keough, Senators Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayne, Schmidt, Lacey
Chairman Bell, Representatives Eskridge, Thompson, Gibbs, Miller, Stevenson, Youngblood, Ringo, King

ABSENT/ EXCUSED: Bolz

STAFF PRESENT: Tatro, Hoskins, Lockett, Burns

CONVENED: Senator Cameron convened the meeting at 8:00 a.m.

OFFICE OF THE GOVERNOR PRESENTATION: **IDAHO COMMISSION ON AGING (ICOA)**
Sam Haws, Administrator

To view the presentation, please click on the following link [Commission on Aging](#)

Ms. Haws introduced members of her staff. The Commission's mission is to provide services and programs that assist elders and persons with disabilities to remain in their homes for as long as possible. The Commission coordinates, funds, and monitors a wide array of programs and services which are implemented through contracts with six Area Agencies on Aging (AAAs) throughout the Idaho. The most needed services to keep elders in their homes are nutrition, supportive services, transportation, and elder rights and LTC ombudsman. Expenditures by category of service, number of clients served, categories of service, and ombudsman services for FY 2013 were reviewed. The Governor's FY 2015 budget recommendation totals \$12,935,300.00 with 14.35 FTP. A chart showing the estimated FY 2015 funding distribution to the six area agencies was explained.

SELF-GOVERNING AGENCY PRESENTATION: **COMMISSION ON HISPANIC AFFAIRS**
Margie Gonzalez, Executive Director

To view the presentation, please click on the following link [Commission on Hispanic Affairs](#)

Ms. Gonzalez gave a brief overview of the agency stating that it was established in 1987 as an independent entity of state government. The Commission's core functions are to advise the three branches of government and state agencies on matters affecting the Hispanic population in Idaho, and to serve as a liaison between community and government agencies to improve the quality of life for the Hispanics. The Hispanic community is the largest minority group in Idaho with a population of 185,159 which is 11.6% of the total population in 2012. From 2000 to 2012 Hispanic population increased by more than 83,469 or 83%; 40% of the total population in 2012 were 19 years of age or younger. Additional statistics showed the 15 Idaho counties with the most Hispanics, enrollment in K-12 public schools, and the top 10 school districts with the highest percentage of Hispanic students. The key issues for Hispanics were identified as education (the highest priority), health and human services, business and economic/workforce, and public policy.

Ms. Gonzalez discussed some special studies/reports conducted recently. Commission accomplishments included a partnership with the Department of Education to address substance abuse prevention and to reduce dropout rates, collaboration with the State Board of Education and the Department of Education to increase enrollment of Hispanics in Higher Education, and hosting an at-risk youth summit involving over 350 students. The economic influence of Hispanics continues to increase. The Governor's FY 2015 recommended budget for the Commission on Hispanic Affairs totals \$240,600, a 1.9% increase, with 3 FTP.

**OFFICE OF THE
GOVERNOR:
PRESENTATION:**

**IDAHO COMMISSION FOR THE BLIND AND VISUALLY IMPAIRED (ICBVI)
Angela Jones, Administrator**

To view the Commission's presentation, please click on the following link
[Commission for the Blind and Visually Impaired](#)

The goal of the Commission is to provide direct service training to eligible blind and visually impaired individuals in order for them to achieve social and economic independence by providing vocational and other rehabilitative services. The main office is located in Boise with regional offices in Coeur d'Alene, Lewiston, Twin Falls, Pocatello and Idaho Falls. People are considered legally blind when their vision is 20/200 best corrected; however, 82% of the blind cannot be recognized as being blind because they have some useful vision. Only 2% have total vision loss.

ICBVI administers the following programs: Vocational Rehabilitation, Independent Living, Older Blind, Business Enterprise Program Assessment and Training Center, Summer Work Experience Program and Sight Restoration services, a store and a low-vision clinic. The total number of clients served in the Vocational Blind Rehabilitation program in 2013 was 496. The cost per rehabilitation in Idaho is \$5,839 which is 37% less than the national average. The Governor's FY 2015 recommended budget is \$4,526,200, an increase of 0.4%, with 39.12 FTP.

Ms. Jones gave the following updates: 1) the Commission's management audits for 2010-12 had no findings and is currently undergoing its single audit, 2) the annual RSA 722 Report on Client Appeals has been zero for the past 8 years, 3) The student training kitchen was remodeled, 4) an Independent Living Program survey was completed with blind clients age 55 and older where the overall satisfaction with services had an average rating of 5 out of a possible 5.

**STATE BOARD
OF EDUCATION
PRESENTATION:**

**DIVISION OF VOCATIONAL REHABILITATION (IDVR)
Jane Donnellan, Acting Director**

To view the presentation, please click on the following link [Vocational Rehabilitation](#)

IDVR works on behalf of people with disabilities to improve the quality of vocational rehabilitation services provided to Idaho residents. The goal is to prepare individuals with disabilities for employment and community enrichment. The Division operates three programs: Vocational Rehabilitation Services, Extended Employment Services (EES), and the Council for the Deaf and Hard of Hearing (CDHH). IDVR works in concert with the State Rehabilitation Council whose members represent various groups interested in the Division's services including disability advocacy groups, workforce development entities, community rehabilitation providers, rehabilitation counselors and others.

Vocational Rehabilitation met or exceeded all required federal performance measures. After receiving IDVR services, there was an enormous increase (449%) in customer wages. There was also collaborative training with staff from the State Department of Education and the Idaho Commission for the Blind and Visually Impaired. Accomplishments in the Extended Employment Services (EES) were: increased customer participation in competitive employment placements by 6.5% over the previous fiscal year, customers were better served by the 3% increase in the provider reimbursement rate and there was an increased ability to serve a higher number of customers with significant disabilities and functional limitations. Accomplishments for the Council for the Deaf and Hard of Hearing (CDHH) included: 1) establishing a deaf/blind equipment distribution program funded through the FCC, 2) coordinating the installation and replacement of three updated public access videophones in Idaho for those using sign language, 3) helping draft Idaho Court Administrative Rules regarding the use of sign language interpreters, 4) sponsoring activities for Idaho's deaf and hard of hearing population, 5) presenting a Distinguished Business award to Con-Agra Foods in Twin Falls, Idaho for the company's support of deaf individuals and a Distinguished Agency award to the Meridian Fire Department for providing smoke/fire alarms to deaf and hard of hearing individuals in the Treasure Valley, and 6) sponsoring the first Deaf Awareness Day for deaf and hard of hearing individuals throughout the state to discuss issues of importance to them.

Last year the State Renal Program was eliminated by Senate Bill 1326 based on an Office of Performance Evaluation audit. Referral resources were provided to those participants phased out of the program. IDVR maximizes resources by partnering with school districts, the Department of Correction, the Department of Juvenile Corrections and the Department of Health and Welfare. Various agreements with these partners help IDVR to bridge the gap from state funding to capture more federal grant money; the match is 21.3% of the total program. In FY 2013 Social Security reimbursements amounted to \$646,200 which was a 20% increase from FY 2012 reimbursements.

Recruitment and retention of qualified counselors continues to be a major agency concern. There is also increased demand for Extended Employment Services. The Governor's FY 2015 recommended budget totals \$23,780,700 which is a 2.8% increase.

**CEC COMMITTEE CHANGE IN EMPLOYEE COMPENSATION RECOMMENDATION
RECOMMENDATION: Joint Change in Employee Compensation Committee**

To view the letter submitted by the Joint Change in Employee Compensation Committee to members of the Sixty-Second Idaho Legislature, Second Regular Session, please click on the following link. [CEC Committee Final Report.](#)

Senator Tippetts, gave some background information on the Committee's deliberations explaining that they received reports on the statutory requirements of the State's compensation system, reports on the group health plan and retirement system, as well as reports from the Division of Human Resources, the Office of Performance Evaluations and the Hay Group. He also explained that the goal is to fund a competitive salary and benefit package that will attract qualified applicants, retain employees, motivate employees to maintain high standards of productivity, and reward employees for outstanding performance.

Rep. Anderson shared the following information wherein the CEC Committee requested the Joint Finance-Appropriations Committee consider the following measures: 1) funding of approximately \$99,000 from the General Fund to adjust the compensation schedule upwards by one percent, as recommended in the FY 2014 report from the Division of Human Resources (DHR), 2) continue job classifications that are currently on payroll exception to address specific recruitment/retention issues, 3) funding of approximately \$5.5 million from the General Fund for an ongoing one percent salary increase for state employees, and one-time funding of an additional \$5.5 million from the General Fund for the equivalent of a one percent bonus for state employees in FY 2015, and funding of approximately \$12.7 million from the General Fund to pay for the employer-provided share of the increased cost of health benefits recommended by the Governor and to maintain the current employee benefit package.

Rep. Hartgen commented that as the CEC Committee looked at data from the State Controller's Office showing that a large number of employees had not had much of a change over the past four or five years, and with an improving economy, it seemed appropriate to make this recommendation.

Senator Tippetts concluded his remarks by explaining the other five recommendations of the CEC Committee: 1) requested that JFAC appropriate to agencies funded from non-General Fund money in as nearly as possible the same manner as agencies funded by the General Fund, 2) investing in state employee compensation should remain a high priority and encouraged agency directors, institution executives and the Division of Financial Management (DFM) to approve the use of salary savings to provide either one-time or ongoing merit increases to deserving employees, and target employees who are below policy compensation; agencies are cautioned to use one-time funding for one-time payments and ongoing funding for permanent pay increases, 3) DHR and DFM should ensure that agency and institution compensation policies are managed consistent with the policies set forth in the January 10, 2014 letter, 4) appropriation measures to fund nonclassified employees should be prepared in as nearly as possible the same manner as for classified employees, and finally, 5) the Joint CEC Committee should reconvene during the 2015 legislative session.

MOTION:

Moved by Bell, seconded by Keough, that the Joint Finance-Appropriations Committee accept the report of the Joint Change in Employee Compensation Committee dated January 10, 2014. The motion carried by **unanimous voice vote**.

**PASSED THE
GAVEL:**

Chairman Cameron passed the gavel to Co-Chair Bell.

**DEPT. OF
CORRECTION
PRESENTATION**

**IDAHO DEPARTMENT OF CORRECTION (IDOC)
Brent Reinke, Director and Kevin Kempf, Deputy Director**

To view a copy of the presentation, please click on the following link [ICC Transition to State Operation](#)

Mr. Reinke thanked the Committee for the opportunity to present the Governor's recommended FY 14 Supplemental appropriation request to transition the management of the state-owned Idaho Correctional Center (ICC) from a privately-operated facility to a state-operated facility. Mr. Reinke said the Board of Correction selected Kevin Kempf, Deputy Director, to be the ICC Transition Team Leader for this operational change of the ICC into State hands.

Mr. Kempf, said the project mission is to conduct a seamless transition in management at the Idaho Correctional Center while maintaining the integrity of the IDOC system. He introduced Jeff Zmuda, who will be the Incident Commander in charge of the project. Mr. Zmuda has been with IDOC for 26 years and the Department has confidence in his ability to manage the transition. The process to be used is known as the Incident Command Structure (ICS), a system used worldwide and very familiar to IDOC. The transition will shift 2,060 beds which is 25% of the overall prison's population, from contract to state management. The transition team has several sections and each team has several members. It is anticipated that 65% of the current Correction Corporation of America (CCA) correctional officers will be retained; however, IDOC will still need to hire additional officers as well as other personnel. The Governor's recommended supplemental for the transition totals \$1,931,200 and adds 90 FTP. The supplemental will be voted on at the JFAC meeting on Monday, January 20, 2014.

ADJOURNED: Chairman Bell adjourned the meeting at 10:08 a.m.

Senator Cameron
Chair

Peggy Moyer
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Monday, January 20, 2014

EDUCATION WEEK

TIME	DESCRIPTION	PRESENTER
8:00-8:20	State Board of Education LBB Page 1-43	<i>Mr. Don Soltman President</i>
8:20-9:00	College of Southern Idaho LBB Page 1-67	<i>Dr. Jeff Fox President</i>
9:00-9:40	College of Western Idaho LBB Page 1-67	<i>Dr. Bert Glandon President</i>
9:40-9:50	<i>Break</i>	
9:50-10:30	North Idaho College LBB Page 1-67	<i>Dr. Joe Dunlap President</i>
10:30-11:00	Department of Correction Idaho Correctional Center: Transition to State Operation <i>Supplemental Schedule p.10 #12</i>	<i>Richard Burns Principal Budget Analyst Budget & Policy Analysis</i>

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Monday, January 20, 2014

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS: Chairman Cameron, Vice Chairman Keough, Senators Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey
Chairman Bell, Vice Chairman Bolz, Representatives Eskridge, Thompson, Gibbs, Miller, Stevenson, Youngblood, Ringo, King

ABSENT/ None

EXCUSED:

STAFF Paul Headlee and Richard Burns

PRESENT:

CONVENED: Chairman Bell convened the meeting at 8:00 a.m.

STATE BOARD OF EDUCATION

PRESENTER: **Mr. Don Soltman, President**, introduced Board members present. He reviewed the following topics: the Idaho Public Education system in Idaho; State Board of Education goal of 60% of Idaho's citizens aged 25–34 will have at least a 1–year postsecondary credential by 2020; Idaho's Economic Imperative: Complete College Idaho.

Presented the following: Strategy 1; Strengthening the pipeline, Strategy 2; Transforming remediation, Strategy 3; Structure for success, Strategy 4; Reward progress & completion, Strategy 5; Leverage partnerships.

Explained the Center for Advanced Energy Studies (CAES) recommended by the Governor.)

FY 2014 Appropriations highlights. To view the presentation click on [State Board of Education](#).

COLLEGE OF SOUTHERN IDAHO (CSI)

PRESENTER: **Dr. Jeff Fox, President**, introduced the Board of Trustees. Dr. Fox presented the institution's core themes; Idaho Lower Division headcount, annual Student headcount & full time employees; revenue sources; CSI foundation; dual outreach; degrees and certificates awarded; remediation; instructional delivery changes; annual student costs at CSI; CSI/College of Western Idaho partnership; business and industry training; economic development; CSI and health; applied technology & innovation center; FY 2015 legislative funding requests. To view the presentation click on [College of Southern Idaho](#).

COLLEGE OF WESTERN IDAHO

PRESENTER: **Dr. Bert Glandan, President**, introduced the Board members and staff present. Dr. Glandon presented the following subjects: fiscal year 2014 recap; partnering success; enrollment; community college collaboration. Budget request by line item. To view the presentation click on [College of Western Idaho](#).

NORTH IDAHO COLLEGE

PRESENTER: **Dr. Joe Dunlap, President**, introduced the Board of Trustees and staff present. He reviewed the following: five missions of a community college; regional impact (FY 2013); enrollment comparison, budget items for FY 15 and requested information items. To see the full presentation click on [North Idaho College](#).

SUPPLEMENTAL

DEPARTMENT OF CORRECTION SUPPLEMENTAL

PRESENTER: **Richard Burns, Principal Budget Analyst, Budget & Policy Analysis**

ICC transition: Additional one-time resources are recommended by the governor to transition the operation of the state-owned Idaho Correctional Center (ICC) from a privately-operated facility to a state-operated facility. Of the amount recommended, \$1,179,400 is included in personnel costs to hire 90 full-time equivalent positions; \$306,500 in operating expenditures to cover administrative services and supplies, institutional supplies, uniforms etc.; and \$445,300 in capital outlay for office equipment, computer equipment, and motorized and non-motorized equipment. The Governor also recommends the Legislature not limit FTP for State Prisons for the remainder of FY 2014 to provide the department maximum flexibility in determining appropriate staffing levels at the facility.

UNANIMOUS CONSENT: On request by Bolz to reopen the FY 2014 budget for the Department of Correction. There was an objection.

CARRIED:

Reopen the FY 2014 Department of Correction Budget

Original Motion

Moved by Bolz, seconded by Keough, to reopen the FY 2014 budget for the Department of Correction.

Ayes: 17

Cameron, Keough, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 3

Mortimer, Vick, Nuxoll

Ab/Ex: 0

CARRIED:

Department of Correction Supplemental

State Prisons

Idaho Correctional Center

Carried

Original Motion

Moved by Bolz, seconded by Youngblood, to approve for introduction \$1,931,200 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$1,931,200 with FTP of 90.00 transition to state operation

Ayes: 19

Cameron, Keough, Mortimer, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 1

Vick

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

Representative Bell

Chair

Kathryn Yost

Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Tuesday, January 21, 2014

EDUCATION WEEK

TIME	DESCRIPTION	PRESENTER
8:00-9:00	UNIVERSITY OF IDAHO LBB Page 1-53	<i>Don Burnett, President</i>
9:00-9:30	Agricultural Research & Extension Service LBB Page 1-45	<i>Dr. John Foltz, Dean College of Agricultural & Life Sciences</i>
9:30-9:45	<i>Break</i>	
9:45-10:30	HEALTH EDUCATION PROGRAMS LBB Page 1-81	
	University of Utah Medical School	<i>Dr. Mike Rush, Executive Director Office of the State Board of Education</i>
	WWAMI Program	<i>Mary Barinaga, M.D.; Joe Cloud, Ph.D. Idaho WWAMI Med Ed Program, U. Washington School of Med / U. Idaho</i>
	Kootenai Family Medicine Residency	<i>Dr. Dick McLandress Program Director</i>
10:30-11:00	SPECIAL PROGRAMS LBB Page 1-103	
	Forestry Utilization Program (FUR)	<i>Dr. Kurt Pregitzer, Dean College of Natural Resources</i>
	Geological Survey	<i>Dr. Jack McIver, Vice President Research & Economic Development</i>

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, January 21, 2014
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Chairman Cameron, Vice Chairman Keough, Senators Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayne, Schmidt, Lacey
Chairman Bell, Vice Chairman Bolz, Representatives Eskridge, Thompson, Gibbs, Miller, Stevenson, Youngblood, Ringo, King
ABSENT/ EXCUSED: None
STAFF PRESENT: Headlee
CONVENED: Chairman Cameron convened the meeting at 8:00 a.m.

AGENCY PRESENTATION **STATE BOARD OF EDUCATION**
University of Idaho, Colleges and Universities
Don Burnett, Interim President

To view the presentation, please click on the following link [University of Idaho](#)

Dr. Burnett introduced the following members of his administrative team: Provost and Executive Vice President Dr. Katherine Aiken, Legislative Liaison and Special Assistant Joe Stegner, President of the Associated Students of the University of Idaho and ASUI student lobbyist Ashley Morehouse. This year the University of Idaho celebrates its 125th year as an educational institution, established as a land-grant institution in 1889 when Idaho was still a Territory. The University's most important work is the outstanding post-secondary education it provides to students as they pursue their future careers. U of I's leadership role includes enlisting the collaboration of sister institutions and eliciting the support of partners in the public and private sectors. The school works with industry partners in agriculture, architecture, business, engineering, forestry, law and many other fields. The University considers the entire state of Idaho its campus.

Many of the most productive collaborations are in science because science is an engine of progress and science brings money to Idaho. Various scientific partnerships and programs bring in millions of dollars to the University. Examples of multi-disciplinary cooperation are in the area of water; such as, the Waters of the West program, groundwater studies across the State, the Consortium on Columbia Basin Governance, and the Idaho Water Resources Research Institute, agricultural specialists working on better irrigation methods, etc. The University provides leadership with a variety of programs such as extension services, legal assistance, service learning all of which strengthens students by providing many practical ways to learn, research and serve.

Dr. Burnett also discussed U of I's academic, research and economic advances that benefit all of Idaho. The University attracts national merit scholars, continually increases its enrollment and leads the State in retention and graduation rates. The University is known for its high research activity which attracts grants and contracts of more than \$100 million. The School of Law has received awards for innovative programs. The University has various collaborative projects to stimulate successful innovation, productivity and prosperity while positioning Idaho's economy to be more competitive and dynamic in today's global marketplace.

Funding a CEC increase is a top priority for Idaho higher education. The University of Idaho replaces almost 14% of its workforce annually and asked the Committee to consider full-funding. Dr. Burnett encouraged the Committee to fund an additional five positions to the WWAMI program as well as money to support a second-year curriculum in Boise in the law school program. He also asked the Committee to consider expanded funding for both new structures and needed alterations and repairs on existing structures.

PRESENTER: AGRICULTURAL RESEARCH AND EXTENSION SERVICE (ARES)
John Foltz, Dean, College of Agricultural and Life Sciences, University of Idaho

To view the presentation, please click on the following link [Agricultural Research & Extension Service](#)

ARES is part of the \$7.8 billion Idaho agricultural enterprise and is the research and development engine of the industry through involvement in teaching, research, extension, and partnerships. Research and technology combined have improved production for many agricultural products. ARES has 11 facilities statewide and the county extension service has a presence in 42 of Idaho's 44 counties. Research and the Extension Service have worked together on many projects, such as managing dairy waste, controlling disease, and educating the next generation of students. The Governor's recommended budget for FY 2015 is \$26,022,500 which is an increase of 7.4% with 4 FTP.

PRESENTER: HEALTH EDUCATION PROGRAMS
Dr. Mike Rush, Executive Director, Office of the State Board of Education

The State Board of Education has responsibility for a number of specific programs that are funded directly by the Legislature. Five years ago the Board approved expanding Graduate and Undergraduate Medical Education but some plans were put on hold as the economy experienced a downturn. **Dr. Rush** expressed appreciation for the support last year when funding was provided for five new WWAMI seats as well as funding for the internal medicine residency program.

Dr. Rush spoke in support of the University of Utah Medical Education program. Idaho contracts with the University of Utah for 8 seats per year for a total of 32 seats. The Idaho-sponsored students are required to spend seven weeks in Idaho in their third year doing a four-week family medicine rotation and a three-week internal medicine rotation. It is difficult to find physician mentors for these students during their rotations, one of the problems being the lack of compensation for physician mentors. Currently, the mentoring is done on a volunteer basis. The \$28,000 ongoing General Fund request is to cover costs to compensate the mentors for eight students during the seven-week period.

Dr. Rush also addressed additional health education program which receive State support. 1) There are two family medicine residencies in Idaho: the Family Medicine Residency of Idaho (FMRI) in Boise which graduates 16 new family physicians each June, and the Idaho State University Family Medicine Residency in Pocatello which graduates seven physicians each June. 2) The Psychiatric Residency program sponsored by the University of Washington fills a critical need in addressing the severe shortage of psychiatric physicians in Idaho; the program trains a total of 11 residents. 3) The Boise Internal Medicine program, also sponsored by the University of Washington, trains 8 residents per year. The program received its first appropriation in FY 2014. 4) The Idaho Dental Education Program (IDEP) provides Idaho residents access to dental education through an agreement between Idaho State University and Creighton University in Omaha, Nebraska. Idaho contracts 8 seats per year for a total of 32 seats. 5) The Washington-Idaho Veterinary Education program provides Idaho residents with access to a veterinary medical education through an agreement between the University of Idaho and Washington State University. Idaho contracts for 11 seats per year for a total of 44 seats.

PRESENTER: **Idaho WWAMI Medical Education Program**
University of Washington School of Medicine & University of Idaho
Mary Barinaga, M.D. and Joe Cloud, Ph.D.

To view the presentation, please click on the following link. [Idaho WWAMI Medical Education Program](#)

The WWAMI Medical Education Program involves Washington, Wyoming, Alaska, Montana and Idaho. The program provides Idaho students with the opportunity to attend medical school through a cooperative agreement with the University of Washington. **Dr. Barinaga** explained the physician pipeline which is the number of years of schooling before a person can become a practicing physician: after four years of college, there are another four years of medical school, followed by three to seven years of residency/fellowship. She presented the following workforce data: per 100,000 population, Idaho ranks 49th in the nation for overall physicians, 47th for primary care physicians, 49th for medical student positions, and 48th for medical residents. Of the 65 Idaho citizens who started medical school programs in 2012, 28 were involved in the WWAMI and University of Utah programs, and 37 went elsewhere. It is unknown how many Idaho citizens went to schools that train DO or osteopathic physicians. Idaho's physicians are aging: 25% are over age sixty and 86% are over the age of 40. The WWAMI program is cost effective. Idaho's FY 2014 support per student was \$42,100 per year with 67% of the appropriation spent in Idaho. For every state dollar invested in WWAMI, Idaho gets back five dollars. Medical specialties

in the WWAMI program are increasing, especially family medicine, internal medicine, surgery and OB/Gyn, and pediatrics.

Dr. Barinaga also discussed the TRUST (Targeted Rural Underserved Track) Program in Idaho which is designed to educate, train, and retain local Idaho students as future physicians in rural Idaho. In the FY 2015 budget, the Governor has recommended \$252,400 to continue funding for the five Idaho TRUST students added in the FY 2014 budget.

**PRESENTER: Kootenai Family Medical Residency Program
Dr. Dick McLandress, Program Director**

To view the presentation, please click on the following link. [Kootenai Family Medicine Residency](#)

The Kootenai Family Medical Residencies Program will begin operation in July 2014. It is estimated that 50% of family practice physicians in the area north of Grangeville will retire in the next five to seven years. **Dr. McLandress** who has been a practicing physician in Coeur d'Alene for the past 37 years, is the Program Director. Teaching resources are available at the University of Washington School of Medicine and about 150 physicians on the staff at Kootenai Family Medicine have volunteered to teach. There is institutional support from Kootenai health trustees, the administration and staff as well as community support for the program. From January 2011 to June 2013, Kootenai Health had invested \$3,084,241. FY 2015 revenues are projected to be \$3,525,000 which would include the Governor's budget request of \$200,000.

**PRESENTER: Forest Utilization Research Program
Dr. Kurt Pregitzer, Dean, College of Natural Resources**

To view the presentation, please click on the following link. [College of Natural Resources](#)

The Forest Utilization Research (FUR) program, located at the University of Idaho, conducts research and analyzes policy to increase the productivity of Idaho's forests and rangelands. FUR supports the following five programs administered by the College of Natural Resources: 1) Policy Analysis Group (PAG) which provides timely and objective data and analysis of resource and land use issues, 2) Forest Nursery produces species of trees for reforestation including rangeland restoration and rehabilitation research, 3) Experimental Forest (10,000+ acres) is the site of forestry and fire management research and hands-on student training, 4) Rangeland Center promotes active partnerships among rangeland stakeholders through education and research, 5) Wildland Fire Program studies real-world fire behavior and management issues in the only university wildfire combustion lab in the United States and on the experimental forest. The FY 2015 Governor's budget request totals \$742,500.

**PRESENTER: Idaho Geological Survey (IGS)
Dr. Jack McIver, Vice President, Research and Economic Development**

Idaho Geological Survey (IGS) is headquartered at the University of Idaho with field offices at BSU and ISU. The IGS collects, analyzes, and disseminates geologic and mineral data for Idaho. The first priority is geologic mapping which is accomplished by a partnership between the United States Geologic Survey (USGS) and IGS. Mapping identifies such things as the quality of mineral deposits, oil and gas formations, it provides mining data such as geothermal deposits and keeps an inventory of abandon and active mines. Hydro-geology involves both deep water and ground water deposits to determine the quality and size of reservoirs, Geologic mapping is used to identify possible hazards and their severity which would include such things as volcanoes, earthquakes or landslides. IGS does earth science education and outreach using staff and various other programs. Last year IGS produced a new geologic map of Idaho. IGS has a \$1.7 million budget, about 40% is provided by the state of Idaho and the rest comes from contracts and grants. The IGS budget request was for \$74,300 and the Governor's FY 2015 budget recommendation was for \$6,000.

ADJOURNED: Chairman Cameron adjourned the meeting at 9:44 a.m.

Senator Cameron
Chair

Peggy Moyer
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Wednesday, January 22, 2014

EDUCATION WEEK

TIME	DESCRIPTION	PRESENTER
8:00-8:55	Lewis-Clark State College LBB Page 1-53	<i>Dr. J. Anthony Fernández President</i>
8:55-9:50	Idaho State University LBB Page 1-53	<i>Dr. Arthur Vailas President</i>
9:50-10:05	<i>Break</i>	
10:05-11:00	Boise State University LBB Page 1-53	<i>Dr. Robert Kustra President</i>

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, January 22, 2014
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Chairman Cameron, Vice Chairman Keough, Senators Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey
Chairman Bell, Vice Chairman Bolz, Representative(s) Eskridge, Thompson, Gibbs, Miller, Stevenson, Youngblood, Ringo, King
STAFF PRESENT: Paul Headee
ABSENT/ EXCUSED: Representative Eskridge
CONVENED: Chairman Bell convened the meeting at 8:00 a.m.

LEWIS-CLARK STATE COLLEGE

PRESENTER: **Dr. J. Anthony Fernandez, President**, introduced staff members present. He explained the role and mission of Lewis-Clark State College. Reviewed primary emphasis areas; enrollment data; headcount; student credit hours; certificates and degrees awarded; student support; retention rate; outcomes; placement, collaborations, outreach. Outlined budget challenges; overall approach; critical; needs; most critical resources; employee comparison, benefits; student tuition and fees. FY 2015 budget request and comprehensive 5–year strategic plan. To view the presentation click on [Lewis Clark State College](#).

IDAHO STATE UNIVERSITY (ISU)

PRESENTER: **Dr. Arthur Vailas, President**, introduced staff. He explained that ISU was transforming education through partnerships. His presentation included the following: serving Idaho; leading in access and opportunity; unique integrated education system offers and steps to economic development; value of general education; building the pipeline; bridge programs; access and opportunity' making education relevant; preparing students for career; student support, from technical education to workforce; leading in research and innovation; nanofabrication leading in Health Sciences; statewide impact; community support; economic and social impact. FY 2014 budget data and requests. To view presentation click on [Idaho State University](#).

BOISE STATE UNIVERSITY

PRESENTER: **Dr. Robert Kustra, President,** introduced staff and three student leaders. He presented the following topics of discussion: serving Idaho's changing economy; State Board of Education goal of 60% between the ages of 25–24 attain a postsecondary degree or credential by 2020; number of graduates per year; where Idaho high school 2012 graduates went to college; striving for new ways to inspire, educate and prepare students; highly efficient university. FY 2015 budget request; challenge meeting the 60% goal; the value of a college degree. To view the presentation click on [Boise State University](#)

ADJOURN: There being no further business to come before the meeting, Chairman Bell adjourned the meeting at 10:54 a.m.

Representative Bell
Chair

Kathryn Yost
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Thursday, January 23, 2014

EDUCATION WEEK

TIME	DESCRIPTION	PRESENTER
8:00-8:30	STATE DEPARTMENT OF EDUCATION Superintendent of Public Instruction LBB Page 1-109	<i>Tom Luna</i> <i>Superintendent of Public Instruction</i>
8:30-9:30	Public Schools Presentation LBB Page 1-3	
9:30-9:45	<i>Break</i>	
9:45-10:45	Public Schools Questions and Answers	

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, January 23, 2014
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Chairman Cameron, Vice Chairman Keough, Senators Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayne, Schmidt, Lacey
Chairman Bell, Vice Chairman Bolz, Representatives Eskridge, Thompson, Gibbs, Miller, Stevenson, Youngblood, Ringo, King
ABSENT/ EXCUSED: None
STAFF PRESENT: Headlee
CONVENED: Chairman Cameron convened the meeting at 8:00 a.m.

**AGENCY
PRESENTATION**

**STATE BOARD OF EDUCATION
STATE DEPARTMENT OF EDUCATION
Tom Luna, Superintendent of Public Instruction**

To view the presentation, please click here [State Department of Education](#)

For the FY 2015 **Mr. Luna** requested \$33.8 million which is a 5.18% decrease from the current fiscal year, primarily due to the reduction request for one-time spending authority related to the Albertson Foundation grant. The budget request does include a one-time request to replace non-general fund computer items and a one percent CEC; he would prefer it be based on merit. He emphasized the following details regarding the budget request. 1) The FTP count of 142 is equal to the same number as last year; however, for this year five are one-time positions related to the Albertson Foundation grant and two are ongoing requests for a Financial Specialist and a Project Manager. Next year the five one-time positions will no longer be needed and there will be a request for two ongoing positions to manage the State's instructional management system going forward. 2) The Department is facing a challenge in FY 2015 regarding the fingerprinting and criminal history check program and associated fees. Currently \$40 is collected to process a fingerprint card when teachers first become licensed in Idaho or change school districts. In 2011, the Idaho State Police increased the fee. For the past two years the Department has used a free-fund balance to pay for the increase. A bill has been introduced this session to allow the Department to adjust the cost of the criminal history checks any time ISP increases fingerprinting fees. 3) Progress continues with the statewide longitudinal data system known as ISEE. The transition to the ISEE system has been challenging. Over time, districts have established strategies, business processes and provided data entry training to staff which has resulted in fewer errors and warnings and has also reduced the amount of time spent collecting data elements each month. The process will continue to be challenging but is improving and heading in the right direction,

due in part, to training the state has provided and assistance from the ISEE Regional Technical Coordinators. Another success is the addition of the new Five File Format Upload where districts have the option to upload data in five of the files as often as needed—every night if they so choose. The data automatically populates the State’s instructional management system, known as Schoolnet, and is readily available for districts to use. By the end of 2013, 36 of 42 districts piloting Schoolnet were successfully using the Five File uploads. 4) **Mr. Luna** also discussed the amount of funding available for statewide testing. From the Department budget about \$5.7 million a year is spent on the statewide standardized test which has been the ISAT with 30% of the funding from state General Funds and 70% from federal funding. In transitioning to the Smarter Balanced assessment to replace the ISAT, Mr. Luna does not anticipate requesting additional funds to administer the statewide test this year. The full cost of testing is determined by the grades tested and the assessment tools provided to teachers in the classroom. He indicated the cost of the test could increase by \$500,000 in the future.

PUBLIC SCHOOL SUPPORT

Tom Luna, Superintendent of Public Instruction

To view the presentation, please click the following link [Public Schools](#)

The investments being made and the policies in place have improved Idaho’s public schools. The Five Star Rating System is evidence that public schools are doing better—each year there are more five-star and fewer one-star schools. Another program that continues to excel is the Idaho Math Initiative; the majority of school districts across the state use Think Through Math which is a web-based mathematics program teachers can use in classrooms or to supplement instruction outside the school day. Teachers are benefitting from the Mathematical Thinking for Instruction (MTI) course where teachers learn strategies to better teach problem-solving and critical thinking skills; over 12,500 Idaho teachers and administrators have taken the course

Mr. Luna said his FY 2015 budget request was submitted in October in order for him to incorporate the 20 recommendations from the Task Force for Improving Education. (The estimated cost to implement the recommendations of the Task Force is between \$350 to \$400 million over a five- to six-year period; he would like to begin implementation this year.) The October budget requested an additional \$69.8 million or a 5.4% increase in General Funds from the previous year. He commented briefly on the following two areas of the budget: 1) the student population growth estimate has been budgeted at \$6.8 million; more accurate information will be available in February, and 2) \$6 million has been proposed for the second year of a three-year restoration of maintenance match funding to help districts maintain their existing school facilities. He focused on the following five areas of his FY 2015 budget proposal: professional development, technology, STEM education, school safety and security, and technical advisory committees.

The budget proposes \$12.2 million in ongoing funding for professional development. He has proposed it as a separate line item because he feels it should not be a one-time effort when additional funds are available but rather funding should be a long-term, ongoing investment in students to ensure their teachers are receiving tools/resources needed to stay current in the classroom. In addition to the \$3.75 million specifically for professional development this fiscal year, the Legislature gave schools and districts flexibility to use up to \$8.4 million of the funding through differential pay toward professional development. The focus of funding has been on transitioning to higher academic standards (emphasizing critical-thinking and problem solving skills) which include providing regional coaches in English and language arts and mathematics who could provide immediate professional development to teachers and school districts. High academic standards are the foundation of a high-quality education system. **Mr. Luna** is also requesting \$250,000 to provide master calendar training to assist school administrators in creating time for job-embedded professional development and collaboration among teachers that best fits their needs at the local level; this is a Task Force recommendation.

The FY 2015 budget includes \$13.4 million for technology: \$8 million distributed directly to local school districts and public charter schools for classroom technology, \$2.25 million to create and maintain wireless technology in all public high schools, \$3 million for technology pilot projects, and \$150,000 to set up an online portal for parents and students. Phase I of the Idaho Education Network (IEN), a secure, broadband intranet system, connected every public high school to each other and to Idaho colleges and universities. Mr. Luna strongly supports Phase II of IEN to expand broadband access to middle and elementary schools, a budget request through the Department of Administration. Eleven schools representing different grade levels, demographics and different regions of the state were selected from 81 applications to pilot innovative technologies with the goal of improving student academic growth and financial efficiencies throughout the entire school.

Another focus area is STEM (science, technology, engineering and math) education where \$500,000 was requested to continue the Idaho Science and Aerospace Scholars Program (ISAS). It is a competitive program designed specifically for high school juniors who take a course that focuses on space exploration which requires learning a broad range of STEM skills aligned with statewide standards. Students are then selected to participate in a weeklong, all-expenses-paid academy at Boise State University and the NASA Ames Research Center in California. Over 800 students have been involved in this program in the past five years.

The fourth area of focus is school safety and security. A stakeholder group met in 2013 and developed a valid, reliable, multi-hazard assessment tool and implemented it in 74 schools. It became apparent that schools need technical assistance and resources after areas needing improvement are identified. The budget request is for \$2.2 million to go directly to schools and districts with an additional \$500,000 to be used at the state level to provide hands-on assistance to local school districts.

The budget proposes \$300,000 for technical advisory committees that will work to implement Task Force recommendations, such as Tiered Licensure which is a work group already set up to determine expectations and authentic measures for Tiered Licensure. Other recommended advisory committees that need additional work from experts in their respective fields before being fully implemented are: 1) mastery-based education system, 2) literacy proficiency, 3) accountability and governance, 4) statewide electronic collaboration system, and 5) tiered licensure and career ladder compensation model.

Mr. Luna recommended three revisions to his initial budget proposal for FY 2015. 1) Initially budgeted \$16.5 million for discretionary funds in line with the Task Force recommendation, but some school districts requested it be restored at a faster rate. He fully supports the Governor's recommendation to restore \$35 million in FY 2015. 2) Revision to line item request for the Career Ladder, add an additional \$16 million for Leadership Awards this year and a 1% increase in salary-based apportionment for teachers. 3) \$3 million in Advanced Opportunities. The revised budget recommendation for FY 2015 has increased by \$66.9 million for a total Public School Support budget of \$1.368 billion to the General Fund, an increase of 5.1%.

ADJOURNED:

Chairman Cameron adjourned the meeting at 10:38 a.m.

Senator Cameron
Chair

Peggy Moyer
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Friday, January 24, 2014

EDUCATION WEEK

TIME	DESCRIPTION	PRESENTER
8:00-8:45	Office of the State Board of Education LBB Page 1-75	<i>Dr. Mike Rush</i> <i>Executive Director</i>
8:45-9:30	Professional-Technical Education LBB Page 1-89	<i>Dr. Vera McCrink</i> <i>Interim Administrator</i>
9:30-9:45	<i>Break</i>	
9:45-10:15	Educational Services for the Deaf and Blind LBB Page 1-37	<i>Brian Darcy</i> <i>Administrator</i>
10:15-10:45	Idaho Public Television LBB Page 1-97	<i>Ron Pisaneschi</i> <i>General Manager</i>

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, January 24, 2014

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS: Chairman Cameron, Vice Chairman Keough, Senators Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayne, Schmidt, Lacey
Chairman Bell, Vice Chairman Bolz, Representatives Eskridge, Thompson, Gibbs, Miller, Stevenson, Youngblood, Ringo, King

**ABSENT/
EXCUSED:** None

CONVENED: Chairman Bell convened the meeting at 9:00 a.m.

STAFF Paul Headlee, Jared Hoskins

PRESENT:

OFFICE OF THE STATE BOARD OF EDUCATION

PRESENTER: **Dr. Mike Rush, Executive Director**, reviewed the State Board of Education's purpose set up by the Idaho Constitution Art. IX, Sec. 2 and the current organization chart. He stated that the Board's goal was 60% of Idaho's citizens aged 25–34 will have at least a 1–year Postsecondary credential by 2020. Other topics depicted by charts includes: percent estimate of bachelors degree or higher; the education dimension of the recent recession; post recession 2007; the premium for getting a college degree; impact of education on income; projects & initiatives; CCA White House Summit; data quality and analytics.

FY 2015 budget request; workload adjustment; Boise State University unfunded credit hours; program maintenance; line items and special programs. To view the presentation click on [Office of the State Board of Education](#).

PROFESSIONAL-TECHNICAL EDUCATION

PRESENTER: **Dr. Vera McCrink, Interim Administrator**, reviewed the purpose of Professional—Technical Education is to provide real skills, real careers and real world experience. Topics covered: education levels; certificates and degrees; focus on the future, program of study framework and system.

FY 2014 workforce; distribution and use of funds. FY 2015 Governor's recommendation.

Other information provided: state leadership and technical assistance; general programs; postsecondary programs; underprepared adults/displaced homemakers; related services and critical needs. To view the presentation click on [Professional-Technical Education](#).

IDAHO PUBLIC TELEVISION

PRESENTER: **Ron Pisaneschi, General Manager**, stated the purpose of public television is to educate, inform and inspire. Other presentation included; program structure, content and services, a valued service to Idahoans, award winning services, critical success factor, exceed peers, content partnerships, broadcast vs. online, national programming, local productions, Idaho in Session, statewide delivery system, efficient deliver and operations. Governor's budget recommendation and alternative funding sources. Areas of risk, maintenance challenges. To view the presentation click on [Idaho Public Television](#).

Representative Bell
Chair

Kathryn Yost
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Monday, January 27, 2014

TIME	DESCRIPTION	PRESENTER
8:00-8:30	Endowment Fund Investment Board LBB Page 4-27	<i>Larry Johnson</i> <i>Investments Manager</i> <i>Dean Buffington</i> <i>Chairman</i>
8:30-9:30	Department of Lands LBB Page 4-35	<i>Tom Schultz</i> <i>Director</i>
9:30-9:40	<i>Break</i>	
9:40-10:05	Lava Hot Springs Foundation LBB Page 4-55	<i>Mark Lowe</i> <i>Executive Director</i>
10:05-11:00	Department of Parks and Recreation LBB Page 4-47	<i>Nancy Merrill</i> <i>Director</i>

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Monday, January 27, 2014
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Chairman Cameron, Vice Chairman Keough, Senators Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayne, Schmidt, Lacey
Chairman Bell, Vice Chairman Bolz, Representatives Eskridge, Thompson, Gibbs, Miller, Stevenson, Youngblood, Ringo, King
ABSENT/EXCUSED: None
STAFF PRESENT; Houston
CONVENED: Chairman Cameron convened the meeting at 8:00 a.m.

AGENCY PRESENTATION: **DEPARTMENT OF LANDS**

PRESENTER: **Endowment Fund Investment Board (EFIB)**
Larry Johnson, Investments Manager

To view the presentation, please click on the following link. [Endowment Fund Investment Board](#)

Mr. Johnson introduced Dean Buffington, the EFIB Chairman. The \$2 billion trust assets overseen by the Investment Board are: 1) Endowment Fund for the Land Board, 2) the reserves and surplus for the State Insurance Fund, 3) Judges' Retirement Fund on behalf of the Supreme Court, and 4) two small endowments for the Department of Parks and Recreation. The mission of EFIB is to provide professional investment management services to stakeholders consistent with constitutional and statutory mandates. The EFIB has nine members appointed by the Governor and confirmed by the Senate; they meet quarterly. All investment Board operating expenses are paid by its clients and come totally from dedicated funds. EFIB will lose revenue from the Judges' Retirement Fund when it is transferred to PERSI at the beginning of the next fiscal year.

The FY 2015 Governor's budget recommendation is \$604,400. **Mr. Johnson** pointed out that the third line item, the Continuous Appropriation, which totaled \$5.4 million in FY 2013 is what the Board uses to pay expenses that vary unpredictably in overseeing the Fund. Over 90% is for outside investment manager fees that vary with the size of the assets. This line item also includes investment consulting. This year the Investment Board has commissioned a special consulting study of distribution rates. EFIB has also requested an in-depth study of what fund asset mix would be best given the large concentration of timberland assets in the endowment land base; the study was requested by the Land Board and will cost about \$50,000 to be paid over two years.

The FY 2015 distributions to be paid from the Endowment (a 5.6% increase) which have been approved by the Board are as follows: Public Schools, \$31.3 million; Universities, \$12.5 million; State Hospital South, \$3.2 million; Penitentiary, \$1.7 million; Juvenile Corrections, \$1.0 million; State Hospital North, \$1.0 million; Veterans Home, \$642,000, and Deaf and Blind School, \$128,000.

PRESENTER: **Department of Lands**
 Tom Schultz, Director

To view the presentation, please click on the following link. [Department of Lands](#)

Mr. Schultz began his comments stating the 2012 Audit showed no findings. He then introduced the following members of his executive team: Kathy Opp, Lands and Waterways Division,; David Groeschl, Forestry and Fire Division; Bob Brammer, Operations Division; Patrick Hodges, Support Services Division; and Donna Caldwell, Human Resources. The State Board of Land Commissioners is the governing body of the Department of Lands and members include Governor C. L. “Butch” Otter, Secretary of State Ben Ysursa, Attorney General Lawrence Wasden, State Controller Brandon Woolf, and Superintendent of Public Instruction Tom Luna. The Department has two major functions: 1) to professionally and prudently manage Idaho’s endowment assets to maximize long-term financial returns to public schools and other trust beneficiaries, and 2) to provide professional assistance to the citizens of Idaho to use, protect and sustain their natural resources.

Endowment land totals over 2.4 million acres made up of range lands, forest lands, agriculture, minerals, and real estate. Forest land is the state’s most productive land asset type with 75% to 95% of all income generated by timber production each year. As a commodity product, timber revenues can fluctuate widely. In FY 2014 distributions totaled \$48,844,800. Since 1995 over \$1 billion has been distributed to beneficiaries.

The Department of Lands has four areas of focus: 1) organizational structure must align with the Department’s vision, 2) customer service, 3) strategy review and alignment, and 4) leadership development. The FY 2015 Governor’s budget recommendation totals \$46,682,100 with 261.47 FTP. **Mr. Schultz** indicated the Governor supported the Department’s main priority which is to reorganize the Department to better align functions as long as it does not impact the General Fund. The Governor also recommended the following items listed as Department priorities: 1) \$792,000 to continue implementing the Land Information Management System (LIMS), a one-time request with ongoing funding for software maintenance costs in the Forestry Resources Division, 2) In the Land and Waterways Division, \$250,000 to hire a contractor to perform a detailed business process analysis and systems review, 3) \$79,200 for Support Services for one-time and ongoing funding for additional IT equipment and licensing, 4) a one-time request for \$29,800 for additional equipment in the management of endowment forest lands in the Forest Resources Division, and 5) one-time spending authority for \$58,800 for fire equipment for Forest and Range Fire protection. The Department is requesting a lump-sum appropriation for the Forest and Range Protection Program to provide flexibility in hiring temporary seasonal labor, to pay overtime or to contract for fire-related activities. In

addition there is a 2014 supplemental budget request for \$10,379,600 to pay deficiency warrants that covered the cost of fighting forest fires in FY 2013.

**AGENCY
PRESENTATION**

DEPARTMENT OF PARKS AND RECREATION

PRESENTER: **Lava Hot Springs Foundation
Mark Lowe, Executive Director**

To see the presentation, please click on the following link. [Lava Hot Springs Foundation](#)

As a background, the Lava Hot Springs complex consists of 178 acres along the Portneuf River in Bannock County which was purchased in 1902 by the federal government and later that year the property was ceded to the state of Idaho with the stipulation that the land be reserved for public use. The Idaho Legislature established the Lava Hot Springs Foundation in 1919 to manage the land. The Foundation has a five-member board appointed by the Governor that is responsible for the financial operation of the self-sustaining complex. Because of flood damage in the 1960's a rebuilding program was implemented. A new swimming pool recreation complex was dedicated in 1969.

The mission of the Lava Hot Springs Foundation is to ensure the public has access to healthful, clean and inviting facilities for recreation and healing purposes. The Olympic Swimming Complex and Lava's Hot Pools are world renown. Hydro tubes were built in 2001, the 25-yard pool was covered and the dressingrooms were replaced in 2006, the speed slides and an additional hot pool were completed in 2009, and the Indoor Kiddie Pool/Cove was finished in 2013. There were 206,406 visitors to this venue in 2013. The Governor's recommended FY 2015 budget was \$2,303,300 with 13.80 FTP. Included in the budget recommendation were two enhancements: 1) \$270,000 in one-time spending authority from dedicated funds to complete the restroom facility by the outdoor pool, and 2) \$45,200, ongoing funding, for an Assistant Manager at the Olympic Swimming Complex.

PRESENTER: **Idaho Department of Parks and Recreation
Nancy Merrill, Director**

To view the presentation, please click on the following link. [Department of Parks and Recreation](#)

Ms. Merrill introduced the following staff members: Jennifer Okerlund, Communication and Public Information Officer; Steve Martin, Fiscal Officer; Anna Canning, Management Administrator; and Keith Hobbs, Operations Administrator. She also introduced Shelby Kerns, DFM Analyst; Ray Houston, LSO Analyst, and Stephen Goodson, Liaison with the Governor's Office. She also acknowledged her six-member Board. The Department's mission is to improve the quality of life in Idaho through outdoor recreation and resource stewardship; it is a service agency managing 30 state parks and regional trail-ways and builds and maintains 2,000 miles of trails and also helps counties groom over 5,600 miles of snowmobile trails. In addition, her agency provides service to over 5.3 million park visitors annually, handles 300,000 recreation registrations, and provides recreational vehicle instruction for over 2,500 students.

The Department is responsible for 10 separate grant programs which provide \$7 million in funding to cities, counties and agencies statewide. An economic impact study is being conducted to measure how Idaho state parks benefit local economies and the State. The Department is still trying to recover from the economic downturn from a few years ago, which caused the agency to defer capital improvement projects and maintenance and repair needs. All available funds were shifted to personnel and operating areas. They have worked hard to increase revenue opportunities by implementing the Passport Program (netted \$1,077,000 the first year), adding new and innovative services to increase overnight occupancy, increasing overall attendance at parks, and increasing retail sale; the Department is also adopting some new marketing strategies. The Department continues to find ways to reduce costs, such as using more volunteers, shifting to electronic payment services, converting campground water heaters from electric to gas, replacing gas vehicles used within the park system to battery-powered utility vehicles, and eliminating some park trash collection requiring visitors to “pack it in and pack it out.” They have also developed partnerships that have helped reduce costs.

Despite efforts to reduce costs and increase revenues, basic operating expenses, especially personnel costs, continue to increase dramatically. It has required shifting funds to cover necessary costs. Funds usually used for capital improvements, infrastructure and maintenance have been reallocated to meet operational needs. There have also been sharp increases in utilities and fuel. The Governor’s FY 2015 budget recommendation of \$33,499,700 includes \$1.8 million from the General Fund to cover several needed repairs and maintenance items at parks throughout the State. **Ms. Merrill’s** goal is to restore long term fiscal sustainability to Idaho’s state parks and recreation areas.

ADJOURN:

Chairman Cameron adjourned the meeting at 10.00 a.m.

Senator Cameron
Chair

Peggy Moyer
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Tuesday, January 28, 2014

TIME	DESCRIPTION	PRESENTER
8:00-9:00	Department of Fish and Game LBB Page 4-11	<i>Virgil Moore</i> <i>Director</i>
9:00-9:25	Office of Species Conservation LBB Page 6-111	<i>Dustin Miller</i> <i>Administrator</i>
9:25-9:35	<i>Break</i>	
9:35-10:00	Public Utilities Commission LBB Page 5-53	<i>Paul Kjellander</i> <i>Commissioner</i>
10:00-11:00	Department of Water Resources LBB Page 4-61	<i>Gary Spackman</i> <i>Director</i> <i>Judge Wildman</i> <i>Snake River Adjudication</i> <i>Roger Chase</i> <i>Chairman, Water Resource Board</i>

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, January 28, 2014

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS : Chairman Cameron, Vice Chairman Keough, Senators Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey
Chairman Bell, Vice Chairman Bolz, Representatives Eskridge, Thompson, Gibbs, Miller, Stevenson, Youngblood, Ringo, King

**ABSENT/
EXCUSED:** None

**STAFF
PRESENT:** Ray Houston

CONVENED: Chairman Bell convened the meeting at 8:00 a.m.

DEPARTMENT OF FISH AND GAME

PRESENTER: **Virgil Moore, Director**, presented an overview of the Department of Fish and Game as follows: accomplishments; license revenue; proposed legislation and FY 15 budget request. To view the presentation in detail click on [Idaho Department of Fish and Game](#).

OFFICE OF SPECIES CONSERVATION

PRESENTER: **Dustin Miller, Administrator**, presented the following overview of the Governor's Office of Species Conservation: who they are and what they do; FY 2015 budget recommendation; federal funding sources; current activities and recent successes. To view the full presentation click on [Office of Species Conservation](#).

PUBLIC UTILITIES COMMISSION

PRESENTER: **Paul Kjellander, Commissioner**, informed the Committee of the Commission's role. He presented the following: what they do and do not regulate; commission staff; and commission budget with line items that were in the Governor's recommendation.
Mr. Kjellander reviewed major utility rate cases and future issues. To view the presentation click on [Public Utilities Commission](#).

DEPARTMENT OF WATER RESOURCES

PRESENTER: **Gary Spackman, Director**, reviewed the FY 2015 Governor's recommendation by fund, decision units in recommendation, replacement items in recommendation, inflation in recommendation, and General Fund appropriation.

PRESENTER: **Honorable Eric J. Wildman, Presiding Judge**, reported on the status of the Snake River Basin Adjudication and the Coeur d'Alene-Spokane River Basin Adjudication.

PRESENTER: **Roger Chase, Chairman, Water Resource Board**, reported on the State Water Plan, Water Board loan, water sustainability initiative funding, Thousand Springs discharge and eastern Snake Plain Aquifer cumulative storage change, stabilization ESPA is essential, Northern Idaho future water needs studies, investigation of new water storage, and the water supply bank.

PRESENTER: **Gary Spackman**, presented slides depicting the mountain snow water equivalent, active transfer applications, active permits with proof submitted, application for permit backing, pending water right ownership change notices, pending lease application, pending rental application and December 2013 Snake River Basin Adjudication status. To view the full presentations click on [Department of Water Resources](#).

ADJOURN: There being no further business to come before the committee, Chairman Bell adjourned the meeting at 10:55 a.m.

Representative Bell
Chair

Kathryn Yost
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Wednesday, January 29, 2014

TIME	DESCRIPTION	PRESENTER
8:00-8:55	Department of Environmental Quality LBB Page 4-3	<i>Curt Fransen Director</i>
8:55-9:25	Soil and Water Conservation Commission LBB Page 5-13	<i>Teri Murrison Administrator</i>
9:25-9:35	<i>Break</i>	
9:35-10:00	Office of Energy Resources LBB Page 6-73	<i>John Chatburn Interim Administrator</i>
10:00-11:00	Department of Agriculture LBB Page 5-5	<i>Pamela Juker Chief of Staff</i>

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, January 29, 2014
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Chairman Cameron, Vice Chairman Keough, Senators Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayne, Schmidt, Lacey
Chairman Bell, Vice Chairman Bolz, Representatives Eskridge, Thompson, Gibbs, Miller, Stevenson, Youngblood, Ringo, King
ABSENT/EXCUSED: None
STAFF PRESENT: Houston
CONVENED: Chairman Cameron convened the meeting at 8:00 a.m.

AGENCY

PRESENTATION: **DEPARTMENT OF ENVIRONMENTAL QUALITY (DEQ)**
Curt Fransen, Director

To view the presentation, please click on the following link. [Department of Environmental Quality](#)

Mr. Fransen introduced some of his staff and thanked all of his staff for their dedication to the citizens of Idaho. DEQ has six regional offices located in Coeur d'Alene, Lewiston, Boise, Twin Falls, Pocatello and Idaho Falls. As a regulatory agency, DEQ implements state environmental programs pursuant to state laws and rules. Idaho's environmental programs meet the requirements of the major federal environmental protection laws including the Clean Air Act, Safe Drinking Water Act, Resource Conservation and Recovery Act and a portion of the Clean Water Act. DEQ is authorized to administer Idaho's programs instead of EPA administering the federal acts. DEQ does not administer the National Pollutant Discharge Elimination System portion of the Clean Water Act, (NPDES) which permits the discharge of wastewater to Idaho streams, rivers and lakes. There is legislation currently before the Legislature which would direct DEQ to begin the process of obtaining authorization to administer the NPDES program in Idaho.

DEQ manages a broad range of activities including: assessing environmental problems, overseeing facilities that generate air, water, and hazardous waste pollution, monitoring Idaho's air and water quality, overseeing the cleanup of contaminated sites, responding to hazardous materials and emergency response calls, issuing permits and authorizations for new and expanded businesses and manufacturing facilities, and administering grant and low-interest loan programs to fund new and upgraded wastewater and drinking water systems for communities and municipalities. DEQ's core activities include numerous responses to citizen complaints and public information record requests. The scope of DEQ's routine and ongoing work includes such things as issuing air quality permits and conducting inspections, issuing burn permits, inspecting public drinking water systems, providing funds in drinking water and wastewater

planning grants, responding to hazardous materials and emergency response calls, and closing leaking underground storage tank remediation projects.

Regarding workforce information, **Mr. Fransen** said the Department is currently authorized to have 360 full-time positions (FTPs) but only have funding for approximately 354 positions. The FTP count peaked in FY 2010 at 382, then during the recession, the General Fund base was reduced by over \$4 million. It was then necessary to manage the funding reductions through layoffs and attrition. In FY 2015 the Department will have a total cap of 355 FTPs. The Department's workforce management plan involves continual evaluation of workload, workforce and management policies in order to maintain critical programs and provide core services. As part of this plan, whenever a position becomes vacant, an evaluation is done to determine whether the position should be refilled, reclassified or redirected toward higher priorities. DEQ's compensation plan provides a structure for utilizing salary savings. In FY 2013 ongoing increases were given to about 20% of the full-time staff and similar one-time bonuses were given. Through the first half of FY 2014, 9 ongoing merit/equity increases and 22 bonuses were given.

Mr. Fransen gave an update on the progress of the Fish Consumption Study. Last year DEQ was appropriated \$300,000 in one-time general funds to hire a contractor to develop fish consumption data needed to revise Idaho's surface water quality standards. Specifically, the data is needed to update Idaho's human health toxics criteria that were disapproved by EPA in May, 2012. This past year nine rulemaking sessions were held and, as a result, a fish consumption survey was designed with assistance from the Public Policy Center at Boise State University. Recently, DEQ entered into a contract with the Northwest Research Group to conduct the actual Idaho fish consumption survey which will provide Idaho-specific fish consumption data to DEQ. Idaho's general population and resident Idaho anglers (individuals with fishing licenses who are likely to consume greater amounts of fish than the general population) will be surveyed. The survey will extend over an entire year in order to address the seasonality of fish consumption. While the survey is underway, DEQ staff will continue to meet with negotiated rulemaking stakeholders to discuss policy issues regarding human health toxics criteria and how DEQ should utilize the fish consumption information to revise criteria in water quality standards. The toxics criteria rule should be finalized by the summer of 2015 through negotiated and formal rulemaking, be adopted by DEQ in the fall of 2015 and be before the Legislature for approval in 2016.

The Governor's FY 2015 recommended budget for the Department of Environmental Quality totals \$65,550,100 which represents a maintenance budget with some minor adjustments and enhancements. In the base budget DEQ has recommended removal of 5 FTPs from the cap and also the removal of \$1,550,000 in dedicated and federal spending authority. Included in the budget is an increase in benefit costs of \$525,900 and a \$61,100 fund shift from federal funds to the General Fund because federal grants are not able to support the 15.9% increase in health insurance premiums. The Governor's budget recommendation includes replacement items totaling \$595,900. **Mr. Fransen** also discussed the following two decision units included in the budget: 1) \$84,100 in ongoing General Fund support to cover salary, benefits, and operating expenses for one Water Quality Standards position, and 2) a transfer of \$1.5 million from the Water Pollution Control Fund to the Environmental Remediation Basin Fund.

AGENCY

PRESENTATION: DEPARTMENT OF AGRICULTURE

**PRESENTER: Idaho Soil and Water Conservation Commission (ISWCC)
Teri Murrison, Administrator**

To view a copy of the presentation, please click on the following link. [Soil and Water Conservation Commission](#)

Ms. Murrison introduced some staff members as well as Commissioners Norman Wright, Chairman and Leon Slichter; she also introduced Idaho Association of Soil Conservation Districts President Kit Tillotson, Vice President Billie Brown, and Treasurer Steve Becker. Also present at the meeting was Benjamin Kelly, Executive Director.

The Governor's recommended FY 2015 budget totals \$2,808,400 which is a 4.1% increase from last year with a cap of 16 FTPs. Idaho was a leader in establishing one of the oldest official conservation movements. The Conservation Commission was established in 1939 for the purpose of forming local conservation districts to make voluntary improvements to address dust storms and severe erosion. However, over the past 75 years the statute has expanded the Commission's responsibilities to include the planning and implementation of programs and projects benefitting soil, water, air, plants, and animals. "Conservation the Idaho way" means Idahoans take care of and improve natural resources for future generations while maximizing benefits to Idaho and its people. That concept is both voluntary and non-regulatory and focuses on cooperative and collaborative efforts with local people who know and work the land.

Five commissioners appointed by the Governor serve staggered five-year terms to oversee policies to assist Idaho's soil and water conservation districts and to perform various program duties. Due to constrained resources the Commission has had to rank services and programs. The Governor has recommended \$28,000 in funding for one of the Commission's priorities which is to update the Idaho Agriculture Pollution Abatement Plan. The Commission focuses on three core functions: 1) technical and other support services which include conservation planning, engineering and watershed assessments, as well as services which strengthen districts, 2) administration, and 3) conservation programs. There are now 50 conservation districts in Idaho. Last year all districts completed statutorily-required five-year antidegradation plan updates. The Commission manages the Conservation Reserve Enhancement Program (CREP) to conserve water usage on marginal farm ground in the Eastern Snake River Plain Aquifer. Participating landowners receive modest federal payments from the Farm Service Agency in exchange for not farming these lands. The flagship incentive program, the Resource Conservation and Rangeland Development Program (RCRDP) provides low-interest loans to purchase equipment and install projects that provide conservation benefits. The maximum loan limit is \$200,000 per loan or \$300,000 per borrower. By December 31, 2013, the Commission had 108 outstanding loans totaling \$4,098,507. The loans make conservation measures possible on 36,000 acres of land. Last year the Ground Water Program treated 35,685 acres reducing nitrates, phosphorus, and sediments.

Idaho Code requires the Commission to assist DEQ in preparing Total Maximum Daily Load (TMDL) implementation plans to strategically reduce agriculturally-generated pollutant loads on Idaho's impaired surface waters. The Commission currently has 17 plans in progress and 18 plans pending.

Ms. Murrison responded to questions from the Committee hearing guidelines as follows: 1) there were no major changes to ISWCC's workforce in FY 2014, 2) Commission has no alternative funding sources, 3) has not initiated any major program structure changes, 4) proposed no legislation, 5) has no appropriation flexibility, 6) has not received LSO Audit written report for FY 2011–12 but Ms. Murrison was told there were no findings, and 7) there are no performance evaluations of the Commission to date. Regarding employee compensation, in FY 2013 all employees received a 2% CEC; five regular FTPs and one temporary employee received permanent merit increases averaging 3%. Due to salary savings, 15 regular FTPs and 2 temporary employees received one-time bonuses averaging \$1,871 according to performance ratings. The turnover rate last year was 7.1% .

AGENCY

PRESENTATION: OFFICE OF THE GOVERNOR

**PRESENTER: Office of Energy Resources (OER)
John Chatburn, Interim Administrator**

To view the presentation, please click on the following link. [Office of Energy Resources](#)

The Office of Energy Resources was originally created through Executive Order in 1975 and has continued to be reestablished by Executive Order, the last time being October 18, 2012. Responsibilities of OER include: 1) coordinating energy planning and policy development in Idaho, 2) coordinating the State's comments on all federal energy policy issues and documents, 3) serving as Idaho's clearinghouse for energy information, representing Idaho in regional and national energy policy forums and processes, administering loan and financial assistance programs, and coordinating the Idaho Strategic Energy Alliance (ISEA). OER also participates in regional energy policy forums and is responsible for closing out ARRA Stimulus projects. The Governor's FY 2015 budget recommendation totals \$990,200 with 8 FTPs.

AGENCY

PRESENTATION: IDAHO DEPARTMENT OF AGRICULTURE (ISDA)

PRESENTER: Pamela Juker, Chief of Staff and Communications Director

To view the presentation, please click on the following link. [Department of Agriculture](#)

Ms. Juker introduced members of the ISDA staff as well as some industry partners who were present. The ISDA budget is allocated between the following six divisions: Administration, Agricultural Inspections, Agricultural Resources, Animal Industries, Market Development, and Plant Industries. The Department currently has a staff of 190 FTPs; however, staffing can reach up to 500 employees at the peak of harvest season. ISDA is responsible for over 60 statutes in Idaho Code and corresponding programs range in size from \$3,000 to \$7 million. The Department manages over 25 funds between the six divisions and also provides administrative services for the Sheep and Goat Health Board, Animal Damage Control Board, Board of Veterinary Medicine and the Aquaculture Board. ISDA also manages two loan programs which include REDIFiT and rural rehab.

The Governor's FY 2015 budget recommendation totals \$35,727,000 with 190.05 FTPs. Annually the ISDA requests a deficiency warrant supplemental that covers actual spending for the fiscal year that ended in June; it is used for pest surveys and control measures to track and eradicate pests that are or could be a threat to Idaho. The request for FY 2014 is \$1,456,700. The voluntary reduction in spending authority for the FY 2015 budget is \$750,000 (\$275,000 in dedicated and \$475,000 in federal funds). There is one general fund request and three dedicated fund requests in the recommended budget. The general fund request is for an ongoing funding source to expand ISDA's international marketing services. The three dedicated fund requests are: 1) an FTP and ongoing dedicated spending authority for an IT programmer in the Animal Division, 2) ongoing spending authority in the dairy program for milk component and raw milk testing, and 3) spending authority to shift a portion of federal funding allocation from federal to state programs; the shift would be covered by the pesticide fund.

ADJOURN:

Chairman Cameron adjourned the meeting at 10:30 a.m.

Senator Cameron
Chair

Peggy Moyer
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Thursday, January 30, 2014

TIME	DESCRIPTION	PRESENTER
8:00-9:00	State Controller's Office LBB Page 6-39	<i>Brandon Woolf</i> <i>State Controller</i>
9:00-9:50	Department of Administration LBB Page 6-5	<i>Teresa Luna</i> <i>Director</i>
9:50-10:00	<i>Break</i>	
10:00-10:40	Permanent Building Fund LBB Page 6-25	<i>Tim Mason</i> <i>Administrator</i> <i>Division of Public Works</i>
10:40-11:00	Capitol Commission LBB Page 6-17	<i>Jeff Youtz</i> <i>Director</i> <i>Legislative Services Office</i>

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, January 30, 2014
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS: Chairman Cameron, Vice Chairman Keough, Senators Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayne, Schmidt, Lacey
Chairman Bell, Vice Chairman Bolz, Representatives Eskridge, Thompson, Gibbs, Miller, Stevenson, Youngblood, Ringo, King
**ABSENT/
EXCUSED:** None
**STAFF
PRESENT:** Robyn Lockett
CONVENED: Chairman Bell convened the meeting at 8:01 a.m.

OFFICE OF THE STATE CONTROLLER

PRESENTER: **Brandon D. Woolf, State Controller**, presented an overview of the State Controller's duties, and leadership team. He reported on accomplishments; administration, statewide accounting, statewide payroll, and computer service center. Other topics included; partnering of IT initiatives and progress report; browser compatibility, retiring Idaho's mainframe computer, Social Security Section 218 compliance, and FY 2015 budget request. He commented on initiatives that may require funding in the future. To view the presentation click on [State Controller's Office](#).

DEPARTMENT OF ADMINISTRATION

PRESENTER: **Teresa Luna, Director**, spoke to notable achievements, Legislative audit, performance evaluation, legislation, structural changes, changes in workforce, Bond Payment Program, and FY 2014 supplemental request.

Ms. Luna presented the FY 2015 budget recommendation, and changes by line items. Other topics were; employee insurance recap, Affordable Care Act, and Idaho Education Network (IEN) Program highlights. To view the presentation click on [Department of Administration](#).

**MEMO FROM
GOVERNOR:** A memo from **Jani Revier, Administrator, Department of Financial Administration** detailing an official revision to the Governor's budget recommendation.

DIVISION OF PUBLIC WORKS

PRESENTER: **Tim Mason, Administrator**, cited authority —IC 57–1108 for the Division of Public Works, Permanent Building Fund, and organizational chart. He presented slides depicting the following; funding sources, recent trending of projects, current snapshot of projects and project review. To view the presentation click on [Permanent Building Fund](#).

CAPITOL COMMISSION

PRESENTER: **Jeff Youtz, Director, Legislative Services Office**, introduced members of the Idaho Capitol Commission that were present. He explained the Capitol Commission responsibilities.

The presentation included; funding sources, funding history and budget request. To view the full presentation click on [Capitol Commission](#).

ADJOURN: There being no further business to come before the Committee, Chairman Bell adjourned the meeting at 10:45 a.m.

Representative Bell
Chair

Kathryn Yost
Secretary

AMENDED AGENDA #1
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Friday, January 31, 2014

TIME	DESCRIPTION	PRESENTER
8:00-8:30	State Liquor Division LBB Page 6-91	<i>Jeffery Anderson</i> <i>Director</i>
8:30-8:50	State Lottery LBB Page 5-85	<i>Jeffery Anderson</i> <i>Director</i>
8:50-9:20	Industrial Commission LBB Page 5-33	<i>Thomas Limbaugh</i> <i>Commissioner</i>
9:20-9:30	<i>Break</i>	
9:30-10:00	Department of Insurance LBB Page 5-41	<i>Bill Deal</i> <i>Director</i>
10:00-10:30	SUPPLEMENTAL APPROPRIATIONS	<i>Ray Houston</i> <i>Principal Budget & Policy Analyst</i>
LBB 4-68	Department of Water Resources: Water Sustainability Initiative (Line Item Moved to Supplemental)	
p. 18 #32 LBB 4-114	Office of Species Conservation: Sage Grouse Lek Monitoring	
p. 15 #22 LBB 4-18	Department of Fish and Game: Sage Grouse Lek Monitoring	

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, January 31, 2014
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Chairman Cameron, Vice Chairman Keough, Senators Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayne, Schmidt, Lacey
Chairman Bell, Vice Chairman Bolz, Representatives Eskridge, Thompson, Gibbs, Miller, Stevenson, Youngblood, Ringo, King
ABSENT/EXCUSED: None
STAFF PRESENT:
CONVENED: Chairman Cameron convened the meeting at 8:00 a.m.

AGENCY PRESENTATION: **OFFICE OF THE GOVERNOR**
PRESENTER: **Idaho State Liquor Division (ISLD)**
Jeffery Anderson, Director

To view the presentation, please click on the following link. [State Liquor Division](#)

The mission of State Liquor Division is to provide control over the importation, distribution, sale and consumption of distilled spirits; curtail intemperate use of beverage alcohol; and responsibly optimize the net revenues to the citizens of Idaho. It is accomplished with lower but convenient outlet density, responsible hours of operation and rigorous training that delivers superior compliance for sales of spirits. Net revenues from operations are a result of responsible stewardship and come from the wholesale and retail mark-up of distilled spirits. Beer and wine are not under the authority of this division. The vision of ISLD is to be the most respected and highest performing purveyor of distilled spirits in the United States. There are 168 retail liquor store locations (66 state retail stores and 102 contract stores); 31 of 44 counties have Sunday retail sales. ISLD has a full-service distribution center which receives and ships one million cases annually. In FY 2013 sales totaled \$164,500,000; 18% of total sales are to on-premises licensees. The majority of sales (84%) occur at 66 State-operated stores. Product is shipped to all retail locations under contract with Diamond Lines, a private sector partner, located in Meridian.

The Idaho State Liquor Division is citizen owned for the benefit of all. Even those who choose not to partake benefit equally. ISDA'S focus is on responsible customer service, continuous process improvement, efficiency, data-driven decisions, and cost management. Distribution formulas are set in statute. Per capita consumption remains low in Idaho compared to other states. Idaho remains below both license states and control states in outlet density for spirits; and no state stores remain open past 9:00 p.m. Idaho generally follows national trends for the increasing distilled spirits share of beverage alcohol consumption. Growth has been the result of opening 14 additional state stores between 2005 and 2010, since then the number has been unchanged. Strategic response to changing consumer preferences has led to consistent improvements in sales and profits per store that exceed growth in 9 liter case volumes. Converting lower performing stores to contract stores might be a consideration. The marketplace is ever changing, especially since the state of Washington has privatized liquor sales which is the first elimination of a state system since the repeal of Prohibition. The groups who helped change the Washington model now have their sights set on Oregon and Idaho.

The Governor's FY 2015 recommended budget totals of 205 FTPs and \$17,506,100 which includes the following decision units: 1) Relocate/modernize seven liquor stores, \$424,000; 2) warehouse freight loading dock locks, \$48,000; 3) IT tracking software, \$10,000; 4) one additional warehouse employee, \$40,000; 5) additional business analyst, \$51,000; 6) additional personnel costs, \$11,100, and a network billing proposal for \$1,200. They will not extend the hours at three Idaho Falls stores, so **the total budget is decreased by \$21,600 to \$17,506,100** from the original recommendation shown in the Legislative Budget Book.

AGENCY

PRESENTATION:

SELF-GOVERNING AGENCIES

PRESENTER:

State Lottery
Jeffery Anderson, Director

The view the presentation, please click on the following link. [State Lottery](#)

The mission of the Idaho Lottery which is to benefit Idaho Public Schools and the Permanent Building Fund is to responsibly provide entertaining games with a high degree of integrity to maximize the dividend. The Lottery's goal is to become the highest performing jurisdiction in North America; currently Idaho is number two behind Tennessee. The Idaho Lottery Commission is a five-member board appointed by the Governor and confirmed by the Senate. The Commission adopts rules for the agency, approves contracts, and monitors all lottery operations in the State. The two dividend beneficiaries each receive 50%; however, proceeds above \$34 million are distributed to the Bond Levy Equalization Fund per a formula set out in Idaho Code. This provision will have generated \$38.55 million when the provision sunsets in September 2014. During the first 24 years, the Lottery is projected to return over \$650,500,000 in dividends to the citizens of Idaho. FY 2013 games sales totaled \$197,449,000. The State Lottery follows not only the letter but the spirit of the law. To date in FY 2014 sales totaled \$120,100,000 and the forecast for all of FY 2014 is \$210,900,000 which would be a 6.8% increase. One of the future challenges is that the state of Wyoming is starting a lottery.

Mr. Anderson discussed previous and current vendors used to print scratch tickets. The primary printer is GTech Printing that prints 70% of scratch tickets, and Pollard Banknote prints 30% of scratch tickets.

Limits set in Idaho Code apply to both continuously appropriated and regularly appropriated funds: 1) there is a 15% cap on administrative costs, the 24-year average is 8.60%, 2) there is a 6% cap on retailer commissions, the 24-year average is 5.85%, and 3) there is a 3.5% cap on advertising/promotions, the 24-yr average is 2.58%. The Governor's recommended FY 2015 budget totals \$5,579,400 with 47 FTPs.

AGENCY

PRESENTATION:

IDAHO INDUSTRIAL COMMISSION

PRESENTER:

Thomas E. Limbaugh, Commissioner

To view the presentation, please click on the following link. [Industrial Commission](#)

The Commission to established in 1918 under Idaho Code and is responsible for the following functions: to decide contested cases, to administer insurance requirements, to approve settlement agreements, to mediate workers' compensation disputes, to provide no cost return-to-work services, to decide unemployment insurance appeals, and to administer the Crime Victims Compensation Program. Sometimes the Commission is mistaken for the State Insurance Fund; the Commission regulates workers' compensation issues but does not pay benefits. On the other hand the Crime Victims Compensation Program does pay benefits. In FY 2013 33,044 accidents were reported with 23 fatalities. In calendar year 2012 sureties reported \$223.2 million total benefits paid (\$144.4 million in medical and \$78.8 million in lost wages).

There are four programs within the Industrial Commission. The Adjudication Division decides disputed workers' compensation cases including hearings, case settlements and mediations; it resolves medical fee disputes, and provides final decisions on unemployment appeals from the Department of Labor. The Employer Compliance Division educates employers on Idaho's workers' compensation insurance requirements. The Claims and Benefits Division collects and maintains status information on 33,000+ claims filed each year to ensure workers' compensation benefits are paid properly and timely. The Division also conducts audits to ensure compliance with claim adjusting rules and in-state adjusting requirements and reviews and makes approval recommendations on lump sum settlement agreements proposed between employer and employee. The Division also provides a certification to industry professionals; since 2002, 52 courses have been given with 2,043 attendees. The Rehabilitation Division was created in 1974 to assist injured workers return to gainful employment; services are provided to employers, insurers and employees. In FY 2013 there were 2,454 referrals, an increase of 16.5 over the previous year and 1,486 injured workers returned to the workforce. The 16-member Advisory Committee on workers' compensation was established in 2000 to provide advice on the workers' compensation system. This committee is working on several projects. The Crime Victims Compensation program provides financial assistance to innocent victims of crime. Currently 6,500 victims are actively receiving services from the Crime Victims program. Funding for the program comes from fines imposed on offenders convicted of

crimes in Idaho and the Victims of Crime Act of 1984 (VOCA) Federal Grant Award. In FY 013, \$2,930,000 was paid to innocent victims of crime and service providers. The Industrial Commission provides funds to the Division of Building Safety for the Logging Safety and Industrial Safety Programs which trains loggers and provides safety inspections.

Mr. Limbaugh provided the following workforce update: the Industrial Commission has 137.25 full-time positions, the two vacancies as of December 31, 2013 have been filled, and turnover for classified staff in FY 2013 was 22.7%. The FY 2015 Governor's recommended budget totals \$15,472,800.

AGENCY

PRESENTATION:

DEPARTMENT OF INSURANCE (DOI)

PRESENTER:

Bill Deal, Director

To view the presentation, please click on the following link. [Department of Insurance](#)

Mr. Deal provided the following FY 2013 information: there were 2,207 carriers, self-funded plans or other entities with a license or registration; 78,950 producer licenses (9,456 resident agents), 18,048 new producer licensing applications; 56,772 policy forms filed; and 765 new consumer complaints received, down some from the previous year. It is the responsibility of the Department to administer the Idaho Insurance Code as well as the International Fire Code.

The Governor's FY 2015 recommended budget totals \$8,734,000 with 73.50 full-time positions (65.5 in insurance and 8 for the Fire Marshall's office). The three decision units approved in the Governor's recommendations were: 1) an object transfer from operating expenditures to personnel costs for salary increases for three existing positions, 2) the reclassification of the financial analyst position for \$15,600, and 3) moving an office specialist position from part time to full time for \$17,800.

**SUPPLEMENTAL
APPROPRIATION:**

DEPARTMENT OF WATER RESOURCES

PRESENTER:

Ray Houston, Principal Budget & Policy Analyst

Water Sustainability Initiative

This request was originally made for FY 2015 but the JFAC Chairmen moved this item to a current year request. The Idaho Water Resource Board (IWRB) and the Idaho Department of Water Resources (IDWR) request that \$10.5 million be transferred to the continuously appropriated Revolving Development Fund and \$4.5 million be transferred to the continuously appropriated Secondary Aquifer Planning, Management and Implementation Fund for a total of \$15 million. The request is made to ensure water availability for existing uses and to provide water supplies for future economic development. The request includes the transfer of two positions, including the General Funds for those two positions, from the Water Management Program to the Planning and Technical Services Program to enhance existing staff to administer the funds and oversee project progress and completion. Projects from the Revolving Development Fund include: 1) \$4 million to acquire senior priority Snake River water rights to supply the Mountain Home Air Force

Base; 2) \$2 million for environmental and feasibility analysis to further the Galloway Reservoir project; 3) \$1.5 million to complete an environmental study regarding enlargement of Arrowrock Reservoir; 4) \$2.5 million to pursue enlargement of the Island Park Reservoir; and 5) \$0.5 million to develop computer infrastructure needed for the water supply bank. Projects from the Secondary Aquifer Management Fund include: 1) \$4 million to develop additional managed recharge capacity needed to reach Eastern Snake Plain Aquifer (ESPA) Comprehensive Aquifer Management Plan (CAMP) goals; and 2) \$0.5 million to conduct joint water need studies in coordination with Northern Idaho communities to ensure water availability for Idaho's future economic development. [One-time cash transfer]

**UNANIMOUS
CONSENT:**

On request by Bell, granted by unanimous consent, the FY 2014 budget for the Department of Water Resources was reopened.

CARRIED:

Original Motion

Moved by Bell, seconded by Gibbs, to approve for introduction \$15,000,000 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$15,000,000 with 0 FTP; \$10.5 million to be transferred to the Revolving Development Fund and \$4.5 million to be transferred to the Secondary Aquifer Planning, Management and Implementation Fund. (One-Time)

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nayes: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

**SUPPLEMENTAL
APPROPRIATION:**

**OFFICE OF THE GOVERNOR
Office of Species Conservation**

PRESENTER:

Ray Houston, Principal Budget and Policy Analyst

Sage Grouse Lek Monitoring

Sage grouse were historically abundant across the West. However, because of the diminishing sagebrush habitat due to invasive weeds, fire, development, agricultural expansion, and other factors, the species has been deemed warranted for listing under the Endangered Species Act. The U.S. Fish and Wildlife Service is currently reviewing two "co-preferred" alternatives for sage grouse management. There are approximately 2,200 sage grouse leks (courtship areas) that have been identified in Idaho. However, over 1,000 of these sites have not been surveyed in over five years. The agency requests \$100,000 in General Fund appropriation in operating expenditures to contract with the Department of Fish and Game for monitoring of the 78 lek routes identified in the Governor's sage grouse conservation alternative, and to survey up to 1,000 undetermined status leks during the spring mating season. [One-time]

**UNANIMOUS
CONSENT:**

CARRIED:

On request by Gibbs, granted by unanimous consent, the FY 2014 budget for the Office of Species Conservation in the Office of the Governor was reopened.

Original Motion

Moved by Gibbs, seconded by Lacey, to approve for introduction \$50,000 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$50,000 with FTP of 0. (One-Time)

AYES: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

NAYES: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

**SUPPLEMENTAL
APPROPRIATION:**

PRESENTER:

DEPARTMENT OF FISH AND GAME

Ray Houston, Principal Budget and Policy Analyst

Sage Grouse Lek Monitoring

Sage grouse were historically abundant across the West. However, because of the diminishing sagebrush habitat due to invasive weeds, fire, development, agricultural expansion, and other factors, the species has been deemed warranted for listing under the Endangered Species Act. The U.S. Fish and Wildlife Service is currently reviewing two "co-preferred" alternatives for sage grouse management. There are approximately 2,200 sage grouse leks (courtship areas) that have been identified in Idaho. However, over 1,000 of these sites have not been surveyed for over five years. The Governor recommends \$35,000 in personnel costs and \$15,000 in operating expenditures for a total of 50,000 in dedicated appropriation in operating expenditures to contract with the Office of Species Conservation for monitoring of the 78 lek routes identified in the Governor's sage grouse conservation alternative, and to survey up to 1,000 undetermined status leks during the spring mating season. [One-time]

**UNANIMOUS
CONSENT:**

CARRIED:

On request by Lacey, granted by unanimous consent, the FY 2014 budget for the Department of Fish and Game was reopened.

Original Motion

Moved by Lacey, seconded by Gibbs, to approve for introduction \$0 General Funds, \$50,000 Dedicated Funds, \$0 Federal Funds for a total of \$50,000 with FPT of 0. (One-Time)

AYES: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

NAYES: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

ADJOURN:

Chairman Cameron adjourned the meeting at 10:25 a.m.

Senator Cameron
Chair

Peggy Moyer
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Monday, February 03, 2014

TIME	DESCRIPTION	PRESENTER
8:00-8:30	Joint Millennium Fund Committee Recommendation LBB Page 6-163	<i>Co-chair Senator Patti Anne Lodge Acting Co-chair Rep Fred Wood</i>
8:30-9:00	State Treasurer LBB Page 6-155	<i>Ron Crane State Treasurer</i>
9:00-9:20	State Independent Living Council LBB Page 2-93	<i>Robbi Barrutia Director</i>
9:20-9:30	<i>Break</i>	
9:30-10:00	Secretary of State LBB Page 6-149	<i>Ben Ysursa Secretary of State</i>
	SELF-GOVERNING AGENCIES	
10:00-10:15	Board of Nursing LBB Page 5-91	<i>Sandra Evans Executive Director</i>
10:15-10:30	Board of Pharmacy LBB Page 5-91	<i>Mark Johnston Executive Director</i>
10:30-10:40	Questions for Other Medical Boards LBB Page 5-91	

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Monday, February 03, 2014
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS : Chairman Cameron, Vice Chairman Keough, Senators Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayne, Schmidt, Lacey
Chairman Bell, Vice Chairman Bolz, Representatives Eskridge, Thompson, Gibbs, Miller, Stevenson, Youngblood, Ringo, King
ABSENT/
EXCUSED: Thompson
CONVENED: Chairman Bell called the meeting to order at 8:00 a.m.
STAFF
PRESENT: Jared Tatro and Jared Hoskins

IDAHO JOINT LEGISLATIVE MILLENNIUM FUND COMMITTEE

COMMITTEE
REPORT: **Senator Patti Anne Lodge, Co-Chairman and Representative Fred Wood, Acting Co-Chairman,** submitted the Idaho Joint Legislative Millennium Fund Committee report and FY 2015 recommendations for legislative consideration. **Representative Wood** apprised the Committee of the Joint Millennium Fund Committee membership with their powers and duties. The report contains grant applications and committee recommendations. To view the detailed report click on [Joint Millennium Fund Committee](#).

MOTION: Senator Cameron, seconded by Senator Mortimer, moved to accept the Joint Millennium Fund Committee report. Motion passed on a voice vote.

STATE TREASURER

PRESENTER: **Ron Crane, State Treasurer,** presented his summary of the duties and responsibilities of the Treasurer's Office by listing the following:

1. Receipt of all state agency cash and subsequent cash management
2. All banking operations including credit cards
3. Accounting functions for all agency deposits
4. Investments- for the General Fund, idle agency funds and the Local Government Investment Pool. These pools total between \$2.5 — \$3 billion dollars
5. Management of the Millennium Fund and Millennium Income Fund
6. Unclaimed Property Division currently holding \$120 million dollars in trust for Idaho citizens
7. Issue the annual Tax Anticipation Notes and manage the proceeds from that issue — typically \$500 million
8. Idaho Bond Bank chairman of the board
9. Credit Rating Enhancement Committee
10. Idaho College Savings Plant program is housed in the State Treasurer's Office
11. Seventeen employees

Mr. Crane detailed the FY2015 budget enhancements line by line. He stated that their goal is to increase transparency of expenditures related to the services the

Treasurer's Office provides.

Treasurer Crane responded to the recent Consolidated Annual Financial Report (CAFR) audit, this can be viewed by clicking on [State Treasurer's Comments](#).

Mr. Crane deferred to Laura Steffler, Chief Deputy Treasurer, who responded to questions relating to various procedures in investment practices.

STATE INDEPENDENT LIVING COUNCIL

PRESENTER: **Robbi Barrutia, Director**, discussed the following topics; their mission, the federal Rehabilitation Act, funding, membership, non-voting members, responsibilities, accomplishments, and grants.

She reported on current staff, staff turnover and the FY 2015 Governor's budget recommendation. To view the presentation click on [State Independent Living Council](#).

SECRETARY OF STATE

PRESENTER: **Ben Ysursa, Secretary of State**, stated that after 40 years of service this would be his last Basque powerpoint presentation, he thanked the Committee for all his years in office. He has appreciated their professionalism, competence, cooperation and dedication to the important task of complying with the State Constitution, Article VII, Section 11, I.C. to a balanced budget. He said we never forget who we work for.

Mr. Ysursa stated that every other year the budget goes up significantly, this is that year, because of election costs. He briefly addressed the FY 2015 budget request and with one exception agreed with the Governor's budget for increased operating expenditures in the amount of \$58,000 which he felt was necessary.

Dale Higer, Idaho Commission on Uniform Laws, reviewed various projects that Commissioners, Mike Brassey Rex Blackburn, Senator Bart Davis, and he, undertook last year, working with national associations and other groups. He said they were currently working on two pieces of legislation; (1) comprehensive revision of Business Organization Acts of the State. (2) Uniform Electronic Legal Material Act.

Responding to the Legislative audit, **Mr. Ysursa** briefly addressed the open audit finding. He stated that there will be a federal audit later this year.

SELF GOVERNING AGENCIES

BOARD OF NURSING

PRESENTER: **Sandra Evans, Executive Director**, presented the following topics of discussion: their purpose, core functions, funding sources, key services provided in FY 2013, and line item requests for FY 2015. To view the presentation click on [Board of Nursing](#)

IDAHO BOARD OF PHARMACY

PRESENTER: **Mark Johnston, Executive Director**, presented the following topics; Pharmacy license #3 issued 2/26/1889, Boise City, Statutory mission, responsibility for enforcement of the Pharmacy Act, the Uniform Controlled Substances Act, and the Wholesale Drug Distribution Act. He reviewed the enhancements to the FY 2015 budget by line item. To view the full presentation on click on [Board of Pharmacy](#).

ADJOURN: There being no further business to come before the Committee, Chairman Bell adjourned the meeting at 10:13 a.m.

Representative Bell
Chair

Kathryn Yost
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Tuesday, February 04, 2014

TIME	DESCRIPTION	PRESENTER
8:00-9:00	Office of the Attorney General LBB Page 6-31	<i>Lawrence Wasden</i> <i>Attorney General</i>
9:00-9:30	Office of the Governor: Military Division LBB Page 6-97	<i>Major General Gary Saylor</i> <i>Adjutant General</i>
9:30-10:00	State Appellate Public Defender LBB Page 5-105	<i>Sara Thomas</i> <i>State Appellate Public Defender</i>
10:00-10:10	<i>Break</i>	
10:10-11:00	Commission for Pardons and Parole LBB Page 3-47	<i>Olivia Craven</i> <i>Executive Director</i>

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, February 04, 2014
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators: Co-chairman Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Schmidt, Lacey
Representatives: Co-chairman Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King
ABSENT/EXCUSED: Thayn
STAFF PRESENT: Burns
CONVENED: Chairman Cameron convened the meeting at 8:00 a.m.

AGENCY

PRESENTATION: **OFFICE OF THE ATTORNEY GENERAL**

PRESENTER: **Lawrence Wasden, Attorney General**

To view the presentation, please click on the following link [Office of the Attorney General](#)

Mr. Wasden is serving his third four-year term as Attorney General. Three facts about the Attorney General's Office: it provides cost effective legislation, employs skilled employees, and given the proper resources, the State's legal interests will be protected. In FY 2013 the appropriation for his office was \$19,225,400 and \$46,255,100 was returned; in other words for every dollar spent, \$2.72 was returned. Money recovered comes from estate recovery, Medicaid fraud, Consumer Protection, Tobacco Master Settlement Agreement (MSA) and a few other areas; money recovered is then appropriated by the Legislature. Between FY 2010 and FY 2013, the average appropriation was \$18,233,100 and the average return was \$49,533,400.

The Attorney General's Office is continually asked to take on more responsibilities. One of the latest examples is a bill being introduced this session which would require his office to conduct public corruption investigations at the county level. One of his FY 2015 budget requests is for one additional deputy and two additional investigators to handle this type of workload. He has to determine if he has the available resources to successfully prosecute a case. Since he has limited resources, he cannot always take additional cases. **Mr. Wasden** believes the State must make prosecuting county corruption a budget priority. Before the recession the Special Prosecution Unit had 3 prosecutors and 4 investigators; now there are two prosecutors and two investigators.

He also discussed the cost of State in-house counsel versus outside counsel. The median prosecutor's salary in his office is \$36.39 per hour, SWCAP is \$54.37 and a private attorney costs between \$125 and \$250 per hour. He would like to bring more legal service in-house because it is more cost effective. Two examples were the Grouse Creek case where his office successfully defended the Public Utilities Commission (PUC) from appeal in the Idaho Supreme Court saving Idaho ratepayers \$236 million over a 20-year period. In the Assoc. of Public Agency Customers case, his office successfully represented the PUC in multiple Ninth Circuit appeals from 2007 to 2013 where 655,000 Idaho utility customers preserved over \$350 million in BPA credits.

Some accomplishments of the Attorney General's office were: 1) responsibility for enactment of last year's Concealed Carry License legislation, (Idaho Code Section 18-3302K) that allows reciprocity with other states, 2) expanded the Idaho Crimes Against Children (ICAC) Unit which allowed the AG's office to transfer \$2,014,900 from the Consumer Protection fund in its first year of operation, 3) Medicaid recoveries amounted to \$3,824,000 in the Medicaid Fraud Unit and \$5,453,500 in Medicaid Estate Recovery, 4) Consumer Protection recoveries totaled \$12,047,800, and 5) continued payments under the Tobacco Master Settlement Agreement (MSA) totaled \$24,912,400 to date. Tobacco recoveries remain in serious jeopardy because tobacco companies continue withholding millions of dollars in payments and are hoping to eliminate several million dollars in future payments. So far Idaho has successfully protected 100% of its MSA payments. However, the tobacco companies are planning a new round of litigation contesting Idaho's payment and Idaho risks losing millions of dollars unless there is additional funding.

Most recently Mr. Wasden's office was involved in a lawsuit regarding St. Luke's Hospital's acquisition of the Saltzer Medical Group which became a test case for similar medical mergers. A federal judge recently ruled in Idaho's favor stating that sale violated Idaho's Competition Act. The court has stopped taking claims on the Snake River Basin Adjudication with over 150,000 water rights adjudicated; only about 100 cases remain. In the water management arena, the Idaho Supreme Court has decided all surface and groundwater management cases and provided a better definition of legal principles. Water shortages are expected because of less precipitation which means added risk for curtailment of junior water rights. Last week, Director Spackman of the Department of Water Resources ordered curtailment of approximately 2,300 ground water users.

The Governor's FY 2015 recommended budget request totals \$21,463,700. Mr. Wasden requested a litigation support assistant, a paralegal for Idaho State Police, additional prosecutor support of one new attorney and two investigator positions, continued lump sum authority to address turnover and retention and maximize the State's legal resources, software licensing updates, and additional money for ICAC forensic investigators. The Attorney General's Office provides Idaho's best and most cost effective legal representation.

AGENCY

PRESENTATION: OFFICE OF THE GOVERNOR

PRESENTER: Military Division

Major General Gary Saylor, Adjutant General

To view the presentation, please click on the following link. [Military Division](#)

The following members of the Military Division staff in attendance were introduced: Brig. Gen. Dick Turner, Assistant Adjutant General, Air; Brig. Gen. John Goodale, Assistant Adjutant General, Army; Col. Jeff Aebischer, Air Guard Director of Staff; CSM Ken Downing, Senior Enlisted Leader of the IDNG; Nancy Gollaher, State Budget Analyst; Paula Edmiston, Human Resources Manager; Derek Newland, Director of Idaho Youth ChalleNGe Academy; Patrick Lucas, Idaho Bureau of Homeland Security, and Bob Wells, Idaho Bureau of Homeland Security. The five critical priorities for the Military Division are: 1) recruit, train and retain quality soldiers, airmen and State employees, 2) maintain and sustain a relevant Department of Defense Force Structure in Idaho, 3) coordinate statewide disaster prevention, preparedness, response, and recovery, 4) construct and maintain modern facilities for the Idaho Military Division, and 5) intervene in and reclaim the lives of 16–18 year old high school dropouts through the Idaho Youth ChalleNGe Academy.

Major General Saylor gave an update on the Idaho Youth ChalleNGe Academy located in Pierce, Idaho. The first class started on January 18, 2014, with 96 students – 81 males and 15 females. Cadets come from 24 of Idaho's 44 counties and recently completed the 2–week Acclimation Phase. It is a 22–week in-resident and 12–month mentorship program where cadets learn life skills combined with additional education. He also gave an update on Readiness Centers throughout Idaho.

The FY 2015 Governor's budget recommendation totals \$66,406,000 including \$5,595,800 in General Funds (9%), \$5,273,800 in Dedicated Funds (8%) , and \$54,536,400 in Federal Funds (83%) with 314.8 FTP (an increase of 21 FTP). This budget recommendation will meet the Military Division's five critical priorities.

AGENCY

PRESENTATION: **SELF-GOVERNING AGENCIES**
Office of State Appellate Public Defender (SAPD)

PRESENTER: **Sara Thomas, State Appellate Public Defender**

To view the presentation, please click on the following link. [State Appellate Public Defender](#)

The right to appeal a felony conviction is guaranteed by the United States Constitution. The Legislature created the SAPD office in order to reduce the cost of legal representation of indigent defendants upon counties when they appeal criminal convictions but still provide competent counsel. The right to counsel in a post-conviction action is provided by Idaho statute; it is discretionary in felony cases and mandatory in capital cases. Legal representation is an extraordinary burden and the SAPD office helps counties avoid paying high hourly rates for independent counsel. The Capital Crimes Defense Fund (CCDF) was created in 1998 and acts like an insurance program where counties pay an annual premium based on population and then pay a \$10,000 deductible per case and the Fund covers any additional defense costs. Only one Idaho county does not participate.

The SAPD office has a total of 23 employees: 2 Administrative including Ms. Thomas, a Capital Unit with a staff of six and the Appellate Unit has 15 on staff. The Appellate Unit handles direct appeals, Habeas Corpus appeals, and post-conviction appeals. To date in FY 2014 the caseload totals 350. The Capital Unit handles post-conviction proceedings in District Court, consolidated appeals, and interlocutory appeals in post-convictions; there are six active cases in FY 2014.

Supplemental budget funds provided for capital cases are reverted to the General Fund if they are not used for a specific capital case during the requested fiscal year. In FY 2013 SAPD received a \$100,000 supplemental appropriation for the Jauhola case; \$97,100 was returned at the end of the fiscal year because the conflict issue was resolved with only \$2,900 paid to conflict counsel.

The Governor's recommended FY 2015 budget request totals \$2,458,900. The budget request includes SAPD's request for \$351,800 to achieve salary parity with Deputy Attorneys General; Idaho has previously recognized that attorneys representing the people should be compensated equally with those representing the government.

AGENCY **DEPARTMENT OF CORRECTION**
PRESENTATION: **Commission for Pardons and Parole**
PRESENTER: **Olivia Craven, Executive Director**

To view the presentation, please click on the following link. [Commission for Pardons and Parole](#)

After the introduction of staff, **Ms. Craven** discussed the mission of the Commission which encompasses protection of the public, respecting victims and involving them in the process to fairly assess every offender. The Commission was established in 1969 under the Board of Correction; in 1998 the Commission was placed directly under the Governor and in 2010 became a stand-alone agency; however, it operates in tandem with the Idaho Department of Correction. The purpose of the Commission is to conduct parole hearings, clemency hearings, to release designated offenders into the community on parole, to grant/deny discharges from parole and to process parole violations. The Commission has 32 employees.

The Commission requested and received a \$95,000 supplemental for FY 2014 to cover parole violator extradition costs. Extraditions have increased and, consequently, those expenses have increased and now run between \$85,000 and \$100,000 annually. Idaho is a member of the Interstate Commission for Adult Offender Supervision compact agreement which went into effect in September 2004. Under new rules put in place two years ago, the Commission can no longer decide whether to return an offender to the state; Idaho can order that an offender be returned and the Commission has no say in the matter. A recent medical parole extradition from Nebraska cost \$22,000. To date extradition expenses for 16 offenders has cost \$56,677.50. There are time limits for due process so the Commission cannot wait for the best rates to transport prisoners back to Idaho.

Ms. Craven also discussed parole consideration criteria. The definition of parole is the conditional release of an offender from prison. The Commission has to know everything about the individual offender in order to assess risk and to make the best decision for public safety, for the victims, and for rehabilitation of the offender. Each offender's parole plan is one of the keys to success. An example was then given of an offender's journey from incarceration through parole. The process involved when a person violates parole was also discussed; a parole violation does not automatically mean that an offender will go back to prison. In calendar year 2012, 648 prisoners were discharged from parole and 53 were denied discharge.

The Governor's FY 2015 recommended budget request for the Commission for Pardons and Parole totals \$2,642,500.

ADJOURN:

Chairman Cameron adjourned the meeting at 10:16 a.m.

Senator Cameron
Chair

Peggy Moyer
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Wednesday, February 05, 2014

TIME	DESCRIPTION	PRESENTER
8:00-9:30	DEPARTMENT OF CORRECTION- OVERVIEW	<i>Brent Reinke</i> <i>Director</i>
	Management Services LBB Page 3-11	
	State Prisons LBB Page 3-15	
	Private Prisons LBB Page 3-21	
	County and Out-of-State Placement LBB Page 3-25	
	Correctional Alternative Placement Program (CAPP) LBB Page 3-29	
9:30-9:40	<i>Break</i>	
9:40-10:30	Community Corrections LBB Page 3-33	
	Education and Treatment LBB Page 3-37	
	Medical Services LBB Page 3-41	

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, February 05, 2014
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS: Senators Co-chairman Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayne, Schmidt, Lacey
Representative(s) Co-chairman Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Jordan(Ringo), King
ABSENT/EXCUSED: None
CONVENED: The meeting was called to order by Chairman Bell at 8:00 a.m.
STAFF Richard Burns
PRESENT: **DEPARTMENT OF CORRECTION (IDOC)**
PRESENTERS: **Brent Reinke, Director of the Department of Correction**, introduced the Board: Robin Sandy, Chairman, Dr. David McClusky, Vice Chairman, and J. R. Van Tassel, Secretary. He also introduced the general manager of Correctional Industries, Alan Anderson, and other departmental staff.

The director provided a brief overview of the department's mission, vision, and value statements, as well as, a brief description on three goals to achieve that mission.

Director Reinke went on to discuss major board decisions that were made concerning two of the department's largest contracts: The medical services contract and the contract to manage the publicly-owned, but privately-operated Idaho Correctional Center (ICC). He deferred discussion on the medical services contract until later, but proceeded to discuss the chronology of events leading to the Board's decision on January 10, for the state to assume the operation of the Idaho Correctional Center.

Director Reinke then introduced **Deputy Director Kempf**, who is leading the transition of this 2,060-bed facility from private management to state management. Deputy Director Kempf went on to explain that his first goal is to focus on staff and making the transition. The second goal is focused on stabilizing the inmate population. And the third goal is developing and providing meaningful opportunities for inmates in education, vocational education, and through other programs offered by Correctional Industries.

Upon completion of **Deputy Director Kempf's** remarks, **Director Reinke** thanked the committee for approving the supplemental for ICC transition costs, then provided other budgetary details relating to this transition and contract closure.

Mr. Reinke spoke to budget adjustments. The final Corrections Corporation of America (CCA) payment of \$2.4 million to occur in the fiscal year that the service occurs. The Governor's recommendation for state operations for FY 15 is \$25,072,500. This is the current budget minus the CCA medical cost of \$4.8 million.

At their request, the Division of Financial Management submitted a revision, adding \$340,000 in inmate management funds to this budget. The Governor also recommended the FTP cap for prisons be lifted while they analyze staffing needs.

He spoke to the following functions; technology, correctional officer turnover, human resources, employee raises, inmate population, maximum security safety checks, inflation, developing a data-driven facility plan, and correction facility capacity.

Mr. Reinke explained the court and federal decisions with future fiscal impact. He continued by reviewing **Community Corrections** by the following topics; probation and parole, presentence investigations, probation and parole updates, education, treatment & reentry, SUDS unique clients served, and partnerships that work.

Mr. Reinke explained the Balla lawsuit resulted in board action to rebid the medical contract to include ICC. Medical model, June 2013 is shown on page 16 of the presentation. **Medical Services** budget includes a \$1.2 million supplement for contract extension. The new contract for FY 2015 requires an increase of \$12.7 million, which includes an increase in the base contract amount, and enhance funding to cover increased bandwidth for electronic medical records and contract monitoring. He said they are also working with the Department of Health and Welfare and the Division of Purchasing to develop contracts in which some of the off-site care will be billed at Medicaid rates. This could reduce the medical services contract costs by \$2 million.

He stated that IDOC was making a difference by assisting the Idaho Food Bank and with forest fires.

The presentation included detailed information on the FY 14 Governor's budget recommendation for supplemental funding, FY 15 Governor's budget recommendation, adjustments and line item enhancements. He concluded his remarks by saying 2014 represents a milestone for corrections. It marks 150 years of corrections in Idaho. To view the presentation click on [Department of Correction](#).

ADJOURN: There being no further business to come before the Committee, Chairman Bell adjourned the meeting at 9:50 a.m.

Representative Bell
Chair

Kathryn Yost
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Thursday, February 06, 2014

TIME	DESCRIPTION	PRESENTER
8:00-8:50	Judicial Branch LBB Page 3-53	<i>Patti Tobias</i> <i>Administrative Director of the Courts</i>
8:50-9:00	Judicial Council	<i>James Carlson</i> <i>Executive Director</i>
9:00-9:50	Department of Juvenile Corrections LBB Page 3-61	<i>Sharon Harrigfeld</i> <i>Director</i>
9:50-10:00	<i>Break</i>	
10:00-10:30	Idaho State Historical Society LBB Page 5-73	<i>Janet Gallimore</i> <i>Executive Director</i>

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, February 06, 2014
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators: Co-chairman Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey
Representatives: Co-chairman Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Jordan (Ringo), King
ABSENT/EXCUSED: None
STAFF PRESENT: Burns, Lockett
CONVENED: Chairman Cameron convened the meeting at 8:00 a.m.

AGENCY

PRESENTATION: JUDICIAL BRANCH

PRESENTER: **Patti Tobias, Administrative Director of the Courts**

To view the presentation, please click on the following link. [Judicial Branch](#)

The Judiciary's budget reflects its mission, values and goals which is to provide the fair and timely resolution of all court cases, ensure access to justice, promote effective and innovative services, and increase the public's trust and confidence in the courts. In FY 2014 the Legislature appropriated \$51.7 million to the Judicial Branch—\$31.3 million in General Funds and \$20.4 million in dedicated funds. County governments play a major role in support of district courts because they provide facilities as well as staff, supplies and other expenses of the district court. The Courts have highly qualified, talented employees dedicated to serving the public; as proposed for all other state employees, a one percent commensurate CEC increase is requested for judges totaling \$186,700.

The current ISTARS technology used since 1989 is no longer able to meet the Judiciary's technology needs. A five-year plan to update court technology will maximize the efficiency and effectiveness of all court business practices, enable better information exchange with other state and county agencies, and promote transparency and confidence in the courts through improved access to court data. The plan is to replace and modernize the case management systems for all court cases in trial and appellate courts, move to electronic filing and storage of all court documents, and expand video conferencing across the state which will be supported by a statewide network infrastructure. Through a Request for Proposal (RFP) the Court selected a new technology solution called Odyssey which is a fully-integrated "enterprise" system developed by Tyler Technologies. Tyler is a proven software company with 10 statewide and more than 500 city and county court installations. The Court's vision is to continue to serve as the hub for data exchange between state and county agencies. The deployment strategy to assure a successful transition from ISTARS to Odyssey during the transition is to maintain two parallel systems. System design and implementation planning

is already underway. The first county to transition will be Twin Falls in May of 2015 followed by Ada County in 2016 and remaining counties' rollout will be completed by FY 2017. Video conferencing will be installed across the state beginning in FY 2016. **Ms. Tobias** discussed expense totals, additional funding needed by fiscal year, revenues needed from technology fund increases, and bridge funding needed from multiple one-time General Fund requests. The General Fund request for FY 2015 is \$4.8 million. There is pending legislation to increase civil filing fees to generate the necessary revenues for the Technology Fund.

The FY 2015 Governor's recommended budget for the Judicial Branch totals \$57,540,000 with 289 FTPs. Included in the total is: 1) \$125,000 in ongoing spending authority (dedicated funding) from the Guardianship Pilot Project Fund to establish an on-site monitoring project in selected judicial districts, 2) \$371,000 in ongoing spending authority from dedicated funds to enhance problem-solving courts and family court services, 3) \$262,500 in ongoing general funds to expand Guardian Ad Litem (CASA) program in seven Judicial districts, and 4) accept a one-time fund transfer of \$704,000 (dedicated funds) from the Department of Health and Welfare, Cooperative Welfare Fund, to provide substance use disorder treatment for misdemeanor offenders. **Ms. Tobias** briefly addressed the problem of recruiting highly qualified candidates for judicial positions because of inadequate compensation.

**PRESENTER: Idaho Judicial Council
James Carlson, Executive Director**

To view the presentation, please click on the following link. [Idaho Judicial Council](#)

The Idaho Judicial Council is empowered by Idaho Code, Section 1–2102, to nominate people to the Governor for appointment to vacancies on the Supreme Court, Court of Appeals, and District Courts and make recommendations to the Supreme Court for the removal, discipline, and retirement of judicial officers. Current members of the Judicial Council are Chief Justice Roger S. Burdick, J. Philip Reberger, Steven A. Tuff, Joel P. Hazel, Elizabeth S. Chavez, Kathy Simpson, Honorable Thomas J. Ryan (District Judge), Honorable Thomas H. Borresen (Adjunct Magistrate member) and James D. Carlson, Executive Director. **Mr. Carlson** discussed the process used to select candidates for judiciary positions, 2013 nominations to the Judicial Council, and complaints received. In 2013, the Council responded to more than 35 requests for ethics opinions from judges. He also discussed the success of Judicial performance evaluations.

AGENCY

PRESENTATION: DEPARTMENT OF JUVENILE CORRECTIONS (IDJC)

PRESENTER: Sharon Harrigfeld, Director

To view the presentation, please click on the following link. [Department of Juvenile Corrections](#)

The following staff members were introduced: Marcy Chadwell, Community Operations and Program Services Division Administrator; and Scott Johnson, Administrative Services Administrator; and Monte Prow, Quality Improvement Director. Her department is responsible for a 24/7 operation to develop productive citizens in partnership with communities through juvenile crime prevention, education, rehabilitation, and reintegration. The Legislature created the Department of Juvenile Corrections in 1995 using the Balanced Approach Model which holds young people accountable and protects communities while giving young people the skills and experiences they need to become successful and productive adults. The Department responds to youths' needs by building partnerships to make the most impact, engaging families and treating juveniles as individuals because every situation is unique. It is the Director's intent to have juveniles move through the system without slipping through the cracks while responding to the help they need to find a more productive path with the least restrictive and most cost effective method.

Research has proven that keeping juveniles in their communities whenever possible helps them grow into responsible adults; evidence has shown that families have a major influence on their childrens' achievements. Of 187,559 youth in Idaho ages 10 to 17, there were 11,270 juvenile arrests in calendar year 2012. On any given day there are over 6,000 juveniles on probation and approximately 200 juveniles in detention facilities; the average daily population in IDJC custody for FY 2013 was 329. Throughout the continuum of care the Department works to keep families engaged in order to make reintegration, work and school a smooth transition for juveniles. Of the \$48.9 million budgeted last year, 31% was passed through to counties and local communities, the majority of those funds coming from Juvenile Corrections Act funds and the Tobacco tax funds. There is also funding from SUDS, mental health and the Community Incentive Program. All offenders do not present the same risks and needs. High-risk offenders should not be comingled with low-risk offenders when receiving services. One key area of low-risk offending is status offenders (truancy, tobacco violations and runaway charges). Research indicates youth committing status offenses present very different risks from juveniles who commit more serious crimes. Knowing the unique needs of each juvenile and developing individualized plans increases their chances for success.

The Balanced Approach Model includes accountability, community safety and competency development. Accountability is holding offenders accountable for their actions in developmentally appropriate ways in order to reduce reoffending and ensures public safety while producing positive outcomes for children, youth, families and communities. Juvenile offenders have an obligation to repair the harm done by such things as community service where they learn skills and work habits. Diverting juveniles from the system can be done throughout the continuum with tools to resolve conflicts. Restorative Conferencing is an excellent tool for reintegration by bringing the victim, youth, family and community together, discussing the harm done and together developing a plan for reparation. The Director has three levels of accountability for her staff as well. Community safety, the second principle in the Model, includes information sharing partnerships to keep all citizens safe; data sharing increases the Department's ability to identify risks and needs. **Ms. Harrigfeld** briefly discussed the need to prevent, detect, and respond to sexual harassment or assault stating that it is not tolerated in any of the locked facilities in Idaho. She is requesting ongoing funding to expand video monitoring at the state's three juvenile facilities, to train investigators and staff, to

provide for basic mandatory and refresher training every two years, and provide for annual audits to ensure protection from sexual assaults in juvenile facilities. The third principle of the Balanced Approach Model, competency development, allows juvenile offenders through education, work, and social connectedness to be more capable individuals when they leave the juvenile justice system. Over 73% of youth identified with substance use or mental health issues in county detention facilities had been previously diagnosed prior to placement in detention; therefore, early intervention is essential. Some juveniles in custody are eligible for Vocational Rehabilitation services.

The current turnover rate of IDJC employees is 13.7% compared to a turnover rate for all state employees of 12.9%. Eleven of 33 Safety and Security Officers, an entry level position, left employment during FY 2013. The Department competes for teachers, IDJC requires teachers to work year round whereas public school teachers work nine months of the year. The compa ratio for FY 2014 to date is 81% and 64% of classified staff are below the IDJC average compa ratio. The Governor's FY 2015 recommended budget request totals \$50,469,700 with 404 FTP.

AGENCY

PRESENTATION: SELF-GOVERNING AGENCIES (ISHS)

**PRESENTER: Idaho State Historical Society
Janet Gallimore, Executive Director**

To view the presentation, please click on the following link. [Idaho State Historical Society](#)

The Idaho State Historical Society is a system of cultural and historic resources including the Idaho State Historical Museum, Idaho State Archives, State Historic Preservation Office (SHPO) and Historic Sites Program. The agency, defined as an educational entity, was founded in 1907 and its mission is to preserve and promote Idaho history. The Idaho State Historical Society's core administrative programs include financial management, human resource management, governance, fundraising and marketing, and information technology. The essential services delivered by ISHS are: 1) records management which provides transparency in government, 2) SHPO which gives an Idaho voice to the federal decision-making process, 3) educational services which advance historical literacy, and 4) curatorial services which preserve and protect state-owned irreplaceable legacy collections. The core programs for the State Archives is collection management, government records management and public reference. There were 8,000 online or site visitors to the State archival collection. Between the State Historical Museum and Old Idaho Penitentiary there are 250,000 artifacts, 74 historic buildings and 4 historic sites. Core programs include collections management, educational programs, exhibitions, visitor services and building preservation; there are objects from all 44 counties. Collection resources at SHPO include 97,000 prehistoric artifacts and 34,000 historic artifacts. Core programs include the National Register of Historic Places, site survey and inventory, certified local governments, preservation planning, federal tax incentive program, federal project review and Archaeological Survey of Idaho. There are over 1,000 properties in Idaho listed on the National Register of Historic Places ranging from individual sites to large districts which in total contain over 7,000 buildings or archaeological sites.

A program change in 2012 year authorized ISHS to manage the records functions of the State Records Center under the direction of Idaho State Archives. The purpose of the merger was to align and streamline the state records management function of each entity and identify enhancements. The merger has been completed, operations have been integrated, record management policies have been created and implemented, and the authorized consultant study has been assessed and a detailed report will be presented to JFAC next week. An analysis of records holdings and access patterns revealed that the Idaho State Archives was allocating a significant amount of resources managing active county records which was neither authorized by statute nor funded appropriately. ISHS has changed this program to align clearly with its statutory mandate of service as the repository for permanent records and, therefore, has returned active records to their appropriate jurisdictions.

Governor Otter appointed the Idaho State Historical Society as the lead agency of the *Get Territorial: Idaho at 150* Sesquicentennial. ISHS'S legacy projects of this initiative created compelling experiences for the public and engaged a wide range of corporate, foundation and private donors. ISHS raised over \$500,000 in private, grant, and in-kind funds to create the following educational legacies: 1) *Essential Idaho: 150 Things that Make the Gem State Unique*, an exhibition at the Idaho State Historical Museum, 2) *Abraham Lincoln, His Legacy in Idaho*, an exhibition at the Idaho State Archives, 3) *Get Territorial: Idaho at 150*, a traveling exhibition done in partnership with the Idaho Humanities Council, 4) *Idaho in 1863*, a commemorative issue of *Idaho Landscapes*, 5) *Ida Visits 150 Years of Idaho History*, a book done in collaboration with First Lady Lori Otter, 6) *Those Who Served*, an exhibition at the Idaho State Capitol, done in collaboration with the Idaho Capitol Commission, 7) Archeology and Historic Preservation Month, statewide programming, 8) *Early Governors of Idaho*, an exhibition at the Idaho State Capitol, Garden Level, and 9) the naming of the Merle Wells Research Center at the Idaho State Historical Society.

Ms. Gallimore discussed FY 2013 expenditures and earned income. A Capitol Steps event with KTVB and IPTV reached over 1.9 million viewers in Idaho, Utah and Washington and generated over \$350,000 in media value. She also discussed the State Historic Preservation Office (SHPO) federal grant; the match rate is 60% federal and 40% state. She discussed private fundraising which included *Get Territorial: Idaho at 150* and other legacy projects mentioned above. The multi-year legacy projects included identification and mapping of the Bear River Massacre National Landmark, digitizing 100,000 pages of Idaho news published between 1864 and 1923, and creating an online learning gallery of *150 Years of Idaho Fashion* by providing digital access to 1,000 costumes and textiles in the collection of the Idaho State Historical museum. The Permanent Building Fund budget includes the second phase request for \$4.6 million of the \$7 million budget for building construction costs for the museum renovation and the 10,000 sq. ft. addition. When completed the project will provide unique educational experiences for school children, families, and Idaho citizens and promote the State to tourists.

The Governor's FY 2015 recommended budget for the Idaho State Historical Society totals \$5,540,900 with 49.02 full-time positions. History builds community, creates identity, and educates and inspires. Each year ISHS shares a piece of history with the Legislature during the budget hearing presentation. This year the "Loving Cup" was displayed and its story told. The prestigious, ornate silver cup was presented to Idaho in 1903 by the National Irrigation Congress for the "best exhibit of fruit grown by irrigation." Idaho also won the award in 1904 and again in 1910.

ADJOURN: Chairman Cameron adjourned the meeting at 10:05 a.m.

Senator Cameron
Chair

Peggy Moyer
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Friday, February 07, 2014

TIME	DESCRIPTION	PRESENTER
8:00-8:30	Division of Human Resources LBB Page 6-87	<i>David Fulkerson</i> <i>Acting Administrator</i>
8:30-9:00	Commission for Libraries LBB Page 5-79	<i>Ann Joslin</i> <i>State Librarian</i>
9:00-9:20	Commission on the Arts LBB Page 6-57	<i>Michael Faison</i> <i>Executive Director</i>
9:20-9:30	<i>Break</i>	
9:30-10:00	Department of Finance LBB Page 5-27	<i>Gavin Gee</i> <i>Director</i>
10:00-10:30	Department of Labor LBB Page 5-47	<i>Ken Edmunds</i> <i>Director</i>

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, February 07, 2014
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS : Senators Co-chairman Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayne, Schmidt, Lacey
Representative(s) Co-chairman Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Jordan (Ringo), King
ABSENT/ EXCUSED: Senators Keough, Johnson, Lacey, Representative Stevenson
CONVENED: The meeting was called to order by Chairman Bell at 8:00 a.m.
STAFF Robyn Lockett and Keith Bybee
PRESENT:

OFFICE OF THE GOVERNOR, Division of Human Resources

PRESENTER: **David Fulkerson, Interim Administrator for the Idaho Division of Human Resource**, introduced staff and gave a brief overview of performance highlights as listed below:

- (1) Training offered
- (2) Statewide Employee Performance Management System (I-PERFORM) phase 2
- (3) Continued training needs assessment
- (4) Online resources — HR Laws.com nd HR.BLR.com
- (5) Idaho Personnel Commission reference Manual

He requested the Governor's budget recommendation for FY 2015 in the amount of \$1,705,200 in dedicated funds. To view the presentation click on [Division of Human Resources](#).

SELF GOVERNING AGENCY- Commission for Libraries

PRESENTER: **Ann Joslin, State Librarian and Director**, for the Idaho Commission for Libraries said a recent study by Pew Inherent & American Life project shows that technology and the internet are changing Americans' reading habits and their relationship with libraries. She spoke to the important role of libraries in the community. She said with all the changes in technology and delivery options, the primary role of libraries is to still fill the need for information to communities.

She spoke of current challenges such as changes in the workforce, and alternative funding sources. Presented an overview of some of their recent accomplishments, and a few words about public access technology in public libraries.

In explanation for the FY 2014 budget she said the approved supplemental request was for increased spending authority in personnel from federal funds. The Governor's recommended budget for FY 2015 includes inflationary increases for the statewide LiLi online resources contract and funding for one vehicle for the Eastern field office. to view the full presentation click on [Commission for libraries](#)

OFFICE OF THE GOVERNOR — Commission on the Arts

PRESENTER: **Michael Faison, Executive Director of the Idaho Commission on the Arts,** introduced Commissioner Chair, Laurel Sayer, Vice Chair, Vince Hannity, all other commissioners, at-large members present. Also introduced staff personnel, Deputy Director Stuart Weiser and Grant Specialist Jadee Carson. He spoke of their framework and how the Commission came to be and how it operates within a state-federal partnership.

Mr. Faison reviewed the Commission's current operations budget and supported the Governor's budget recommendation. He spoke to the Commission's role in disbursing and managing state arts grants, requiring a match by individuals and organizations. In addition to grant-funding, their professional staff provides services, assistance, and expertise to artists, communities, and arts business. The presentation included examples of the diverse activities supported by the agency. He discussed their endeavors to make the arts part of children's structured education, and provide a professional artistic presence available to Idaho's towns and communities. To view the presentation click on [Commission on the Arts](#).

DEPARTMENT OF FINANCE

PRESENTER: **Gavin Gee, Director, Department of Finance,** introduced staff members present and stated that the Department of Finance administers 23 laws, and listed the various financial institutions they regulate. He reported on the Syringa Bank consent closure and sale, and western state bank failures since 2005, critical state role. He discussed the Community Banking Initiative, mortgage accreditation, individuals and businesses regulated.

Mr. Gee continued with detailing FY 2013 restitution statistics; \$2.5 million awarded to Idaho consumers, 2012 National Mortgage settlement, Palmer/Trigon Pomzi Scheme. He reported on cost savings with Virtual Servers, and e-licensing initiatives. He commented on the fact that the Department of Finance has contributed \$72.6 to the General Fund since FY 1994 through FY 2013. To view the presentation click on [Department of Finance](#).

DEPARTMENT OF LABOR

PRESENTER: **Idaho Department of Labor, Ken Edmunds, Director,** presented key information in charts and spoke to data on topics as listed below:

- (1) Percentage change in jobs year over year
- (2) Idaho Nonfarm jobs
- (3) December 2013 unemployment rates above and national average in some areas and below in other areas in the state
- (4) Average Annual wage, US and Idaho
- (5) Quarterly trust fund balance
- (6) Changes in Unemployed Insurance (UI) tax rates
- (7) Weekly initial unemployment benefit claims

Mr. Edmunds commented that their objective was to make better decision in handling declining federal grants. He spoke to training fund revenues and forecast and workforce development training fund with a \$24.3 million balance.

He supported the Governor's budget recommendation for FY 2015. To view the presentation click on [Department of Labor](#).

ADJOURN: There being no further business to come before the Committee, Chairman Bell adjourned the meeting at 10:10 a.m.

Representative Bell
Chair

Kathryn Yost
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Monday, February 10, 2014

TIME	DESCRIPTION	PRESENTER
8:00-8:30	Department of Commerce LBB Page 5-19	<i>Jeffery Sayer</i> <i>Director</i>
8:30-9:15	Tax Commission LBB Page 6-141	<i>Rich Jackson</i> <i>Chairman</i>
9:15-9:30	Board of Tax Appeals LBB Page 6-137	<i>Steve Wallace</i> <i>Director</i>
9:30-9:40	<i>Break</i>	
9:40-10:40	Idaho Transportation Department LBB Page 5-119	<i>Brian Ness</i> <i>Director</i>

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Monday, February 10, 2014

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS PRESENT: Senators: Co-chairman Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayne, Schmidt, Lacey

Representatives: Co-chairman Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

**ABSENT/
EXCUSED:** None

**STAFF
PRESENT** Bybee, Lockett

CONVENED: Chairman Cameron convened the meeting at 8:00 a.m.

**AGENCY
PRESENTATION:** DEPARTMENT OF COMMERCE

PRESENTER: Jeffery Sayer, Director

To view the powerpoint presentation, please click on the following link.
[Department of Commerce](#)

Mr. Sayer introduced the following members of his management team: Megan Ronk, Chief Operations Officer; Melonie Bartolome, Commerce Fiscal Manager; Diane Norton, Commerce Tourism Manager; Matt Borud, Business Development & Marketing Administrator; and Chrissy Bowers, Industry & Community Services Administrator. He thanked all of his Department employees and also expressed appreciation to his partners in other state agencies for their hard work and dedication. Over the last year with assistance from the Division of Financial Management he has reorganized his department and now has three teams. He took savings from streamlining his organization and gave increases to remaining staff; his compa ratio is now above 80%. He discussed two data points: 1) annual exports continue to increase and reached \$6.1 billion in 2012, and 2) the lodging tax has increased from \$7.1 million in 2012 to \$7.5 million in 2013. The state has many grant funds which the Department of Commerce is very careful about disbursing; there are 8 business and job grants, 1 RCBG grant, 13 Gem grants, 17 Rural ED Pros, and 17 IGEM grants. He gave an update on the IGEM program stating that in FY 2013, IGEM innovation grants supported seven university/industry partnerships at ISU, U of I, and BSU and he also discussed the collaboration between SBOE, CAES and the Department of Commerce to produce the first IGEM annual report. Last year the Legislature provided \$3 million for a key development tool known as the Opportunity Fund which was to be used for grants for local infrastructure related to business attraction or expansion; the grants were to be performance-based initiatives. **Mr. Sayer** updated the Committee on the Opportunity Fund stating five of the projects in progress would create about 800 jobs and provide returns of from 68% to 624%; there are benchmarks along the way that have to be met before funds are disbursed.

The Governor's FY 2015 budget recommendation totals \$34,355,900. Included in that total is a request for \$30,000 which was originally going to be used for an Idaho-Asia trade office in Taiwan to expand services into Southeast Asia markets; however, plans have changed and the money will now be used to explore new markets without the expense of an office by using it for such things as trade shows, travel costs, etc. Also included in the budget request is \$29,600 in dedicated funds for additional IGEM support and \$3,000,000 ongoing in spending authority for the Idaho Opportunity Fund. Another budget request is to transfer \$50,000 from the Small Business Assistance Fund (SBIR) grant program (trustee and benefits payments) to operating expenditures in order to use the appropriation to support IGEM/Innovation efforts.

AGENCY

PRESENTATION: DEPARTMENT OF REVENUE AND TAXATION

PRESENTERS: State Tax Commission

Rich Jackson, Chairman; Mark Poppler, Fiscal Officer; Ken A. Roberts, Commissioner

To view the powerpoint presentation, please click on the following link. [State Tax Commission](#)

Mr. Jackson said the Commission has dedicated employees and commissioners who work hard to be open, fair and equitable to all. The Commission does not set policy but administers laws and collects revenue. The majority of Idaho citizens comply with tax laws; the Commission pursues the few who do not comply. The past year was a strong income tax processing year: 1) processed 783,911 individual tax returns, 2) processed 92,600 business tax returns, 3) identified 574 fraudulent returns and stopped more than \$600,000 from being returned to fraudsters, and 4) issued 533,000 individual income tax refunds totaling \$276 million within expected time frames. The Commission administers 19 separate tax types and processed 2.35 million transactions. Total gross revenue for FY 2013 was \$3,464.0 million and provided net general funds of \$2.6 billion or 95.4% of the total general fund revenue in FY 2013. During the past year the Commission split the Audit/Collection Division into two divisions for better management and efficiency, made the rule-making process more transparent, and made some changes to the annual meeting which is now archived on the Commission's web site. Current projects for the Commission are: 1) upgrading GenTax, phases 1 and 2, 2) working on three recommendations from the Office of Performance Evaluations, and 3) participating in the Governor's newly created eight-person working group to review the Tax Commission's structure and processes in order to improve operations,

Mark Poppler presented the Governor's FY 2015 budget recommendation which totals \$37,753,700 including \$27,981,600 for personnel, \$9,021,400 for Operating, and \$750,700 for Capital items. Replacement items total \$738,400 of which general funds total \$477,800. FY 2015 line items include property tax software for \$289,400, and a program reorganization (splitting Collections/Audit into two divisions) that transfers 125 FTEs to the new Audit Division.

Ken Roberts discussed the property tax software modernization. The current system is 34 years old and it is difficult to find programmers familiar with the system's programming code; the Commission needs a more flexible framework for enhancements and legislative changes. By law, the Tax Commission is required to provide support to Idaho counties. The new system is web-based, mouse driven, point and click (no function keys), screens can expand to show all data, pop-up screens can be resized and moved around, and photos and maps can be added to the screen. The new system is user-friendly and will allow for electronic assessment notices and tax bills, saving about \$40,000 a year. The Commission will be able to stop paying \$175,000 annually for maintenance on the current system. **Mr. Roberts** also discussed the Commission's personnel budget. Currently the Commission starts FY 2014 with a deficit of almost \$1.3 million or 4.74% which represents the difference between the budget of \$27.2 million and what would be required if there were no vacancies and if there was a normal contingent of temporary workers during the annual tax drive. The Commission has to overcome the deficit through vacancies and/or savings through hiring replacement workers at lower salaries than previous employees were paid before it can begin considering raises or bonuses. It is a challenge to build morale with situations like this. (There were no CEC or bonuses in FY 2010 or FY 2011; in late FY 2012 early implementation of the FY 2013 CEC was enhanced slightly by permanent salary savings.)

**PRESENTER: Idaho State Board of Tax Appeals
Steve Wallace, Director**

The three members of the Board of Tax Appeals are Lee Heinrich (former State Senator), Linda Pike, and David Kinghorn, Chairman. The Board provides taxpayers the opportunity to appeal their ad valorem assessed valuations from a county board of equalization or from the Idaho State Tax Commission. Typically a board member or a staff hearing officer is assigned to travel to a location near the taxpayer to conduct an in-person hearing. At a later date, the record made at the hearing is reviewed by the full board; two members must concur before a final decision is issued. Assisting the Board are five permanent, full-time employees located in Boise.

The Board's mission is to provide an independent, convenient and fair review of disputed tax assessments. Over 90% of the cases concern property tax assessments; the balance of cases involve appeals from the State Tax Commission. Appeals before the Board are formal proceedings pursuant to Idaho's Administrative Procedures Act and the Board's own body of law. The Board is not a taxing authority and is fully independent from the State Tax Commission.

The Governor's FY 2015 budget recommendation totals \$522,200 with 5 FTPs. The budget includes \$1,300 for inflationary adjustments and \$10,500 for replacement items. A management review audit is currently underway for FY 2010–2013.

AGENCY

PRESENTATION: IDAHO TRANSPORTATION DEPARTMENT

PRESENTERS: Jerry Whitehead, Board Chairman

Scott Stokes, Chief Deputy (representing Director Brian Ness)

To view the powerpoint presentation, please click on the following link. [Idaho Transportation Department](#)

Mr. Whitehead, Chairman of the seven-member Transportation Board, said members are appointed by the Governor. Besides Mr. Whitehead the members include: Jim Coleman, District 1; Jan Vassar, District 2; Julie DeLorenzo, District 3; Jim Kempton, District 4; Dwight Horsch, District 5; and Lee Gagner, District 6. The Board's mission is to plan, develop, construct, and maintain a system of state highways.

Recently there have been major changes in the Department's executive team due to retirement. New team members are Jim Carpenter, Chief Operations Officer; Charlene McArthur, Chief Administrative Officer; and Brenda Williams, Chief Human Resources Officer. Mr. Stokes is the fourth member of the executive team. The presentation will cover the Governor's FY 2015 budget recommendation, a report on the Department's major accomplishments in 2013, and ITD's focus for 2014.

Mr. Stokes presented the Governor's FY 2015 recommended budget which totals \$576,163,500 with 1,724 FTPs. Included in the budget figure is the GARVEE (Grant Anticipation Revenue Vehicle) payment for \$59.8 million. ITD receives no revenue from the General Fund; 54% of the total program funding is federal and 86% of the total program funding is dedicated to highways for operations, contract construction, and GARVEE payments. The Department had no audit findings for the third year in a row. Legislation this year which has a fiscal impact provides funding to update the commercial driver's license system; it will bring Idaho into compliance with federal requirements regarding new learners' permit standards for commercial drivers. The legislation will cost \$20,000 to update the system which will prevent federal sanctions leading to the loss of up to \$19 million in federal highway funding per year beginning in FY 2016. Current federal funding is received under MAP-21 which is a two-year federal transportation bill that will expire in September of 2014; the bill may be extended by a continuing resolution or it could be replaced with a new bill. Under MAP-21 there is a \$12 billion annual shortfall to the federal highway trust fund. Revenue from the federal general fund is currently making up the difference. Congress will either need to raise revenue, reduce funding to the states or develop a combination of the two. The current bill reduced Idaho's federal funding by \$20 million per year. If Congress does not increase revenue, Idaho's federal funding could be cut by as much as an additional \$100 million annually.

Idaho has over 1,800 bridges on the state highway system; more than one-third of the bridges are over 50 years old and were designed to last 40 to 60 years. At current funding levels the bridges would have to last 2 to 3 times their expected life cycle. One of the common complaints from industry is the negative impact restricted bridges have on their ability to ship products. Bridges in good condition with modern carrying capacities are critical to moving goods in order to improve commerce. ITD also has increased pavement funding needs. There are 12,000 lane miles on the state highway system. Much of the gravel and sand base underneath the pavement is old and nearing the end of its life cycle due to weather, moisture and the freeze-thaw cycle. Choices made today determine the future condition of tomorrow's highway system.

The Department's work culture has changed in order for the agency to become more effective. ITD significantly reduced the layers of bureaucracy and put decision-making closer to where the work was being done. It eliminated several layers of supervision and 62 supervisory positions. Employees are held accountable for the results they achieve. The next change was to implement a department-wide strategic plan with three goals: safety, mobility, and economic opportunity. Available funding is targeted to grow the state's economy to more than \$60 billion annually, in line with Governor Otter's Project 60 initiative. Every person at ITD including the Director has performance goals tied directly to the strategic plan. Safety efforts surrounding the goal of having the safest transportation system possible fall into two categories: infrastructure (improving the way safety projects in transportation corridors are prioritized) and human behavior (changing the types of messages used to influence drivers). The next part of the strategic plan focuses on mobility by improving safety in work zones. The third goal addresses economic opportunity by making investment decisions for the transportation system in line with the Governor's Project 60 goals. ITD is working closely with the Departments of Commerce, Labor and Agriculture to develop tools to measure and maximize the impacts of investments. ITD is a member of the Governor's new Rapid Response Team that will work with new and expanding businesses to "Accelerate Idaho."

Mr. Stokes also discussed the following accomplishments: improving the Department's credibility, efficiency and customer service, making ITD more transparent in how taxpayers' money is used, making an additional \$100 million available for construction projects over the next five years, funding an additional \$80 million in GARVEE projects by better management practices, and saving \$23 million in personnel costs in three years by reducing full-time workforce (90 positions this past year) and realigning the Department,

ITD has been recognized as a national and international leader. In 2013 Idaho won more awards than any state in AASHTO's (American Association of State Highway and Transportation Officials) 100-year history; the Department won 18 national awards and 19 state awards.

The Department's focus for 2014 is continued implementation of the strategic plan. Director Ness has asked the leadership team, supervisors, and employees to narrow their focus and concentrate on the most important projects or initiatives that will support the strategic plan and serve customers. Another focus for 2014 is improving project delivery and cash flow. Over the next five years half of the Department's employees will be eligible for retirement; therefore, workforce and succession planning is critical. There are numerous benefits to investing in transportation: it creates and sustains jobs, grows the economy, reduces crashes and improves safety. The Governor's Task Force on Modernizing Transportation Funding in Idaho concluded it will take an additional \$262 million annually to keep the existing system in its current condition. Another study found that for every \$1 invested in maintaining roads, it saves \$6 to \$14 in repairs/replacement in the future.

ADJOURN:

Chairman Cameron adjourned the meeting at 10:25 a.m.

Senator Cameron
Chair

Peggy Moyer
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Tuesday, February 11, 2014

TIME	DESCRIPTION	PRESENTER
8:00-8:30	Office of Drug Policy LBB Page 6-67	<i>Elisha Figueroa</i> <i>Director</i>
8:30-9:00	Office of Performance Evaluations LBB Page 6-127	<i>Rakesh Mohan</i> <i>Director</i>
9:00-10:00	Idaho State Police LBB Page 3-71	<i>Colonel Ralph Powell</i> <i>Director</i>
10:00-10:10	<i>Break</i>	
10:10-10:45	<i>SPECIAL HEARING:</i> Merger of Idaho Government Record Centers Historical Society Study Recommendations	<i>Janet Gallimore</i> <i>Executive Director</i> <i>Idaho State Historical Society</i>

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, February 11, 2014
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS : Senators Co-chairman Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayne, Schmidt, Lacey
Representative(s) Co-chairman Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King
ABSENT/ EXCUSED: None
CONVENED: Chairman Bell called the meeting to order at 7:58 a.m.
STAFF PRESENT: Cathy Holland—Smith, Richard Burns, Jared Tatro, Robyn Lockett

OFFICE OF THE GOVERNOR – Office of Drug Policy (ODP)

PRESENTER: **Elisha Figueroa, Director, Office of Drug Policy** stated the work of the Office of Drug Policy and its partners is vital to the health and safety of Idahoans. At a time when new and dangerous drugs are constantly being reformulated to skirt laws, illicit drugs are being sold to our youth under the guise of medicine. Prescription drug abuse is a state and national epidemic, and resources to fight these issues are severely limited. Idaho needs an entity that will bring stakeholders, leaders, and communities together in the fight against substance abuse, ODP is that leader. She spoke to funding sources; current General Fund appropriation, grants, dedicated funds and millennium funds. She reviewed accomplishments of several notable goals during the past year. She discussed key activities, prescription drug abuse workgroup, and prevention transformation.

Ms. Figueroa explained that ODP began management of the Prevention portion of the Substance Abuse Prevention and Treatment (SAPT) block grant. This program funds primarily evidence-based direct services with a smaller portion of the money going to community-based coalitions for environmental strategies. It also funds the dissemination of prevention-related materials and resources. She discussed the other federal grant, Strategic Prevention Framework Grant that focuses on environmental strategies versus the direct services funded by the block grant.

Their goals for fiscal year 2015 were ambitious and they intended to make lasting and positive changes to the substance abuse landscape in Idaho. She presented their budget request with the following enhancements; spending authority for private donations, and new SPF grant funds. Total budget recommendation is \$3,610,600. To see the presentation click on [Office of Drug Policy](#).

LEGISLATIVE BRANCH — Office of Performance Evaluation

PRESENTER: **Rakesh Mohan, Director of the Office of Performance Evaluation (OPE)**, discussed their purpose was to promote confidence and accountability in state government. Success depends, in part, on the type of work assigned to OPE and whether the finished product is useful to you the Legislature.

He spoke to the many subjects that evaluations covered. Dollars are saved with improved efficiency, accountability, policy changes, and compliance outcomes. Not all findings are good news, regardless they act with independence, objectivity, thoroughness, and attention to detail and utmost effort to be responsive. **Mr. Mohan** discussed taking responsiveness to the next level, and in-house capacity of external consultants. The total request was for a maintenance-level budget of \$779,330. To view the full presentation click on [Office of Performance Evaluation](#).

IDAHO STATE POLICE (ISP)

PRESENTER: **Colonel Ralph Powell, Director**, introduced staff members and gave a brief history of their 75th anniversary. He spoke to ISP's four legislative proposals:

- (1) HB 448 relating to alcohol beverage control
- (2) HB 422 relating to drug destruction
- (3) SB 1251 adds "Volunteer Reserve Officer" to definition of "Peace Officer"
- (4) HB 400 relating to the Racing Commission

He provided information on major programs; Alcohol Beverage Control, Investigation, Patrol, Commercial Safety, Criminal Interdiction, Regional Communications Center, Forensic Services, Support Services, Idaho Criminal Intelligence center, POST, Management Services, and Racing Commission and Brand Board.

Colonel Powell stated that all of their programs work to support ISP's mission of providing public safety across the State of Idaho through law enforcement excellence. He said they have been extremely attentive to their fiduciary responsibilities, leveraging resources to perform as efficiently and effectively as possible in a time of limited funding. He spoke to several successes involving troopers in coordination with other partners.

He began his discussion on the Governor's recommendation for ISP's budget enhancements. They include the following:

- (1) Replacement capital outlay, \$3,900,600
- (2) Fund shift of maintenance, \$275,000
- (3) Project Creating Hope Opportunity Incentives for Career Employment (CHOICE) fund shifts and spending authority. The Governor's recommended funding will support all previous point values and provide enhancements for other CHOICE points.
- (4) Idaho Law Enforcement Telecommunications (ILETS) funding, \$1,144,400 total for the ILETS system
- (5) Patrol positions, \$932,200
- (6) Investigations, \$601,900
- (7) Forensic Laboratory System Director, \$116,600
- (8) Investigations overtime, \$75,900
- (9) Forensic scientist, \$85,600

- (10) IT systems Integration Analyst Senior, \$98,400
- (11) Forensics training, \$73,000
- (12) Alcohol Beverage Control fund shift, \$36,000
- (13) Commercial Vehicle Safety, fund shift, \$28,500
- (14) Sex Offender Registry, \$190,600 spending authority
- (15) Millennium Fund, \$94,000
- (16) POST, \$10,500 spending authority

The Brand Board and the Racing Commission were asking for maintenance budgets. To view the presentation click on [Idaho State Police](#).

SPECIAL HEARING: MERGER OF IDAHO GOVERNMENT RECORD CENTERS HISTORICAL SOCIETY STUDY RECOMMENDATION

PRESENTER: **Janet Gallimore, Executive Director, Idaho State Historical Society**, said legislative action in 2012 authorized the Idaho State Historical Society (ISHS) to manage the records functions of the State Records Center under the direction of the Idaho State Archives. ISHS authorized to proceed with consultant study to enhance state government records management. She spoke to the purpose of the study, key challenges, statistics on state archive / state records center, and operating budget. **Ms Gallimore** discussed IMERGE records study scope and intended project outcomes. She deferred to Charmaine Brooks to review IMERGE.

Charmaine Brooks, CRM explained they were an independent, globally recognized analyst firm providing management and technology focused on several industries including finance, insurance, education, manufacturing, and the public sector. She discussed projects plans, key findings, U.S. state overview, state digital initiatives, and deliverable reports.

One of their goals was to merge both functions and streamline the state's current records management, enhance efficiencies, and reduce redundancies. Goal 2 was to conduct an Idaho State records study. Provided in the presentation was a chart for implementation of study recommendations. She discussed additional observations, next steps to be taken by ISHS, and their goals for the future. To view the full presentation click on [Special hearing: Idaho Historical Society](#).

ADJOURN: There being no further business to come before the Committee, Chairman Bell adjourned the meeting at 10:24 a.m.

Representative Bell
Chair

Kathryn Yost
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Wednesday, February 12, 2014

TIME	DESCRIPTION	PRESENTER
8:00-9:30	General Fund Review Statewide Budget Decisions- JFAC Adjusted Levels	<i>Cathy Holland-Smith, Manager Budget & Policy Analysis</i>
9:30-9:45	<i>Break</i>	
	GERMANE COMMITTEE REPORTS	
9:45-10:00	House Health and Welfare Committee	<i>Representative Fred Wood Chairman</i>
10:00-10:15	Senate Health and Welfare Committee	<i>Senator Lee Heider Chairman</i>

Senate Reconvenes: 10:30

House Reconvenes: 10:30

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, February 12, 2014
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators: Co-chairman Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey
Representatives: Co-chairman Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King
ABSENT/EXCUSED: None
STAFF PRESENT: Holland-Smith, Burns, Houston, Headlee, Bybee, Lockett, Tatro, Hoskins
CONVENED: Senator Cameron convened the meeting at 8:00 a.m.

FY 2014 GENERAL FUND REVENUE FOR BUDGET SETTING: **LEGISLATIVE SERVICES OFFICE**
Budget Policy and Analysis
Cathy Holland-Smith, Manager
Keith Bybee, Budget and Policy Analyst

MOTION: **Governor's Recommendation and EORAC Increase of 2.1%**
Original Motion
Moved by Bell, seconded by Keough, that the Joint Finance-Appropriations Committee adopt and use the Governor's and Economic Outlook and Revenue Assessment Committee's (EORAC) recommended General Fund revenue projection of \$2,808,220,000, a 2.1% increase, for the purpose of setting and modifying state agency budgets.

CARRIED: **Ayes: 20**

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

Adjust FY 2014 EORAC Revenue by Year-to-Date Shortfall

MOTION:**Original Motion**

Moved by Bolz, seconded by Youngblood, that the Joint Finance-Appropriations Committee adopt and display the monthly year-to-date revenue shortfall of a negative \$23,891,000 against the Governor's and the Economic Outlook and Revenue Assessment Committee's General Fund revenue protection for the purpose of setting and modifying state agency budgets. This number will be adjusted on a month-to-month basis until Sine Die.

CARRIED**Ayes: 20**

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayne, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0**Ab/Ex: 0**

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

**FY 2015 GENERAL
FUND REVENUE
FOR BUDGET
SETTING:****Governor's Recommendation and EORAC Increase of 6.4%****MOTIONS:****Original Motion**

Moved by Bell, seconded by Keough, that the Joint Finance-Appropriations Committee adopt and use the Governor's and Economic Outlook & Revenue Assessment Committee's recommended General Fund revenue projection of \$2,987,767,000, an increase of 6.4%, for the purpose of setting state agency budgets.

Substitute Motion

Moved by Mortensen, seconded by Bayer, that the Joint Finance-Appropriations Committee use \$2,937,700,000, an increase of 4.6%, for the purpose of setting state agency budgets.

Amended Substitute Motion

Moved by Johnson, seconded by Stevenson, that the Joint Finance-Appropriations Committee use \$2,898,083,000, an increase of 3.2%, for the purpose of setting state agency budgets.

FAILED:

Vote on amended substitute motion

Ayes: 5

Vick, Nuxoll, Johnson, Bayer, Stevenson

Nays: 15

Cameron, Keough, Mortimer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Miller, Youngblood, Ringo, King

Ab/Ex: 0

FAILED:

Vote on substitute motion

Ayes: 7

Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Stevenson

Nays: 13

Cameron, Keough, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Miller, Youngblood, Ringo, King

Ab/Ex: 0

CARRIED:

Vote on original motion

Ayes: 14

Cameron, Keough, Johnson, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Miller, Youngblood, Ringo, King

Nays: 6

Mortimer, Vick, Nuxoll, Bayer, Thayn, Stevenson

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

**PROPOSED JFAC
ADJUSTED FOR
FY 2015**

Benefit Changes — JFAC Adjusted

MOTION:

Moved by Keough, seconded by Bell, all budgets should include \$1,450 per eligible full-time FTP and Worker's Comp adjustments by agency as recommended by the Governor with the exception of the correction for the Commission for Pardons and Parole. Totals for this motion include \$12,700,600 General Funds, \$9,741,600 Dedicated Funds, \$3,878,500 Federal Funds for a total of \$26,320,700 with FTP of 0.00.

CARRIED:

Ayes: 17

Cameron, Keough, Mortimer, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Stevenson, Miller, Youngblood, Ringo, King

Nays: 2

Vick, Nuxoll

Ab/Ex: 1

Gibbs

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

Inflationary Adjustments and Replacement Items — JFAC Adjusted**MOTION:****Original Motion**

Moved by Bolz, seconded by Keough, that the JFAC adjusted budgets do not include the agency's request or the Governor's recommendation for money from the General Fund, dedicated funds, or federal funds for inflationary adjustments in the JFAC Adjusted. For replacement items JFAC adjusted budgets do not include the agency's request or the Governor's recommendation for one-time funding for replacement operating expenditures and capital outlay from the General Fund, dedicated, or federal funds.

CARRIED:

Ayes: 19

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Gibbs

The majority having voted in the affirmative, the motion has passed and

without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

Statewide Cost Allocation (SWCAP) — JFAC Adjusted

MOTION:

Original Motion

Moved by Bell, seconded by Keough, that the JFAC adjusted budgets for statewide cost allocation include the Governor's recommendation for adjustments for State Controller fees, State Treasurer fees, and Attorney General fees; add in requested adjustments for dedicated and federal funds for LSO Audit Division. Totals for this motion include \$130,800 General Funds, \$335,100 Dedicated Funds, \$199,900 Federal Funds for a total of \$665,800 with FTP of 0.00.

CARRIED:

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

Annualizations — JFAC Adjusted

MOTION:

Original Motion

Moved by Bolz, seconded by Thompson, that the JFAC adjusted budgets for annualizations include the Governor's recommendation for elected officials salary increases of \$7,100, and \$231,600 for new judge positions partially funded in FY 2014 that require full funding in FY 2015. Totals for this motion include \$238,700, General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$238,700 with FTP of 0.00.

CARRIED:

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

Change in Employee Compensation (CEC) and Employee Compensation
— JFAC Adjusted

MOTION:

Moved by Keough, seconded by Bell, that the JFAC adjusted budgets for Change in Employee Compensation include a 2% pay increase for state agencies and institutions, funding for a 1% payline adjustment for certain agencies as recommended by the CEC Committee, and an adjustment for the Military Division to provide step increases that match the federal pay schedule for certain employees. The CEC for state agencies and institutions will be 1% ongoing, and 1% one-time. Totals for this motion include \$10,747,000 General Funds, \$8,470,500 Dedicated Funds, \$3,278,000 Federal Funds for a total of \$22,495,600 with FTP of 0.00.

It is the intent of the Legislature, while working cooperatively with the Governor's Office, the Division of Human Resources, and the Division of Financial Management to make progress toward the goal of funding a competitive salary and benefit package that will attract qualified applicants, retain employees committed to public service excellence, motivate employees to maintain high standards of productivity, and reward employees for outstanding performance to: 1) adjust the compensation schedule upwards by 1% to move the salary structure towards market, and 2) continue the job classifications that are currently on payline exception to address specific recruitment or retention issues, and 3) provide funding for an ongoing 1% salary increase for state employees, and funding for the equivalent of a one-time 1% bonus for state employees, based upon employee merit with flexibility in distribution as determined by the agency directors. The Legislature also finds that investing in state employee compensation should remain a high priority even in tough economic times, and therefore strongly encourages agency directors, institution executives and the Division of Financial Management to approve the use of salary savings to provide either one-time or ongoing merit increases for deserving employees, and also target employees who are below policy compensation. Such salary savings could result from turnover and attrition, or be the result of innovation and reorganization efforts that create savings. Such savings should be reinvested in employees. Agencies are cautioned to use one-time funding for one-time payments and ongoing funding for permanent pay increases.

CARRIED:

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

Nondiscretionary Adjustments — JFAC Adjusted

MOTION:

Original Motion

Moved by Bolz, seconded Thompson, that the JFAC adjusted budgets include the Governor's recommendation for statutorily driven changes in Public Schools, actual adjustments for enrollment workload growth in Higher Education and Professional-Technical Education, and caseload, utilization, and federal match rate adjustments as recommended by the Governor in Health & Welfare (including Medicaid). Totals for this motion include \$17,038,700 General Funds, (\$10,272,000) Dedicated Funds, \$45,475,500 Federal Funds for a total of \$52,242,200 with FTP of 0.00.

CARRIED:

Ayes: 17

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, King

Nays: 1

Ringo

Ab/Ex: 2

Thayn, Youngblood

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

Endowment Adjustments — JFAC Adjusted

MOTION:

Original Motion

Moved by Bell, seconded by Keough, that the JFAC adjusted budgets for endowment adjustments include the Governor's recommendation for changes in spending in the Endowment Funds in Public Schools, Colleges and Universities, and the Department of Health and Welfare. Totals for this motion include (\$68,500) General Funds, \$1,572,000 Dedicated Funds, \$0 Federal Funds for a total of \$1,503,500 with FTP of 0.00.

CARRIED:

Ayes: 18

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Ringo, King

Nays: 0

Ab/Ex: 2

Thayn, Youngblood

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

Statewide IT Billings/Omnibus Decision-JFAC Adjusted

MOTION:

Original Motion

Moved by Keough, seconded by Bell, that the JFAC adjusted budgets for statewide IT billings/omnibus decisions include an amount for each agency listed for the increased cost of maintenance IT security and web access based upon the number of authorized FTP in each agency, not excluding statewide elected officials, the Judicial Branch, or the Legislature. Totals for this motion include \$106,400 General Funds, \$74,800 Dedicated Funds, \$40,900 Federal Funds for a total of \$222,100 with FTP of 0.00.

CARRIED:

Ayes: 18

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Ringo, King

Nays: 0

Ab/Ex: 2

Thayn, Youngblood

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

**GERMANE
COMMITTEE
REPORTS:**

**House Health and Welfare Committee
Representative Fred Wood, Chairman**

Chairman Wood said his committee agreed with the budget priorities presented to JFAC by Richard Armstrong, Director of the Department of Health and Welfare. Of particular importance were the following decision units: 1) Division of Medicaid — Medicaid Eligible — unenrolled caseload, 2) Division of Welfare — Integrate Eligibility System/State Exchange, 3) Mental Health Services — Behavioral Health Crisis Centers, 4) Survey Related Staff — pay increases, 5) FY 2014 supplemental for immunizations for children, and 6) Division of Medicaid — restore adult dental services. Legislation is being introduced this week to change the statutes for community-supported employment to not only allow for protection of health and safety, but also to obtain or maintain employment. Time sensitive emergency legislation is also being presented this legislative session; Idaho is one of only a few states that does not have a trauma or stroke system. The legislation has a fiscal impact of about \$225,000 on General Fund money.

Senate Health and Welfare Committee
Senator Lee Heider, Chairman

Chairman Heider said the Senate Health and Welfare Committee supports the Department of Health and Welfare. The Health and Welfare budget for FY 2015 is \$2.54 billion; 64.7% or \$1.64 billion is federal funding, 24.9% or \$692 million is from the General Fund, and 4.6% or \$65 million is from dedicated funds. The Department has 2,848 FTPs which is 270 fewer than in 1970. Medicaid is the largest health insurance program in the country covering about 62 million low-income Americans each year, including one of every four children. The population Medicaid serves is very diverse. He briefly discussed the Medicaid “Woodwork Group” who are people who have been eligible for Medicaid but have never applied for benefits. It is estimated that 35,000 Idaho people are in this category. He discussed Your Health Idaho which is the State Insurance Exchange; the latest data he has showed nearly 50,000 Idahoans have applied for coverage and about 26,000 have completed the application process.

The Chairman also discussed mental health services and the \$5.2 million requested for three community crisis centers. The centers would provide a more appropriate and humane response to stabilize and assess people in crisis and connect them to more long-term community treatment resources in order to reduce future crisis events. Child welfare requests \$976,000 for social workers to maintain children safely in their homes to avert foster care placements; the funds would also provide some flexibility to strategically increase salaries to recruit and retain quality workers in a field with high turnover. The number of Food stamp recipients has risen from 86,343 in 2007 to a high of 238,777 in January of 2012 and has now declined 9.8% to 217,485.

Mental health counselors have depended on OPTUM for prior authorization of treatment; the OPTUM system’s performance was less than standard until recently. Since the company is now required to report daily, there has been a tremendous improvement in their services. The House and Senate Health and Welfare Chairs were involved last summer in a statewide healthcare innovation plan to discuss healthcare delivery. The patient medical home is the direction in which health care providers are moving which deals with the total wellness of a patient rather than a fee-for-service.

ADJOURN:

Chairman Cameron adjourned the meeting at 10:15 a.m.

Senator Cameron
Chair

Peggy Moyer
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Thursday, February 13, 2014

TIME	DESCRIPTION	PRESENTER
	GERMANE COMMITTEE REPORTS	
8:00-8:15	House Education Committee	<i>Representative Reed DeMordaunt Chairman</i>
8:15-8:30	Senate Education Committee	<i>Senator John Goedde Chairman</i>
8:30-8:45	House Agricultural Affairs Committee	<i>Representative Ken Andrus Chairman</i>
8:45-9:00	Senate Judiciary & Rules Committee	<i>Senator Patti Anne Lodge Chairman</i>
9:00-9:15	House Judiciary & Rules Committee	<i>Representative Rich Wills Chairman</i>
9:15-9:30	<i>Break</i>	
9:30-9:45	Senate Transportation Committee	<i>Senator Bert Brackett Chairman</i>
9:45-10:00	Senate Resources and Environment Committee	<i>Senator Monty Pearce Chairman</i>
10:00-10:15	Senate Agricultural Affairs Committee	<i>Senator Steve Bair Chairman</i>

Senate Reconvenes: 10:30

House Reconvenes: 11:00

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, February 13, 2014

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS: Senators Co-chairman Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayne, Schmidt, Lacey
Representative(s) Co-chairman Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

**ABSENT/
EXCUSED:** None

CONVENED: Chairman Bell called the meeting to order at 8:00 a.m.

STAFF

PRESENT: Paul Headlee, Richard Burns, Ray Houston

GERMANE COMMITTEE REPORTS

HOUSE EDUCATION COMMITTEE

PRESENTER: **Representative Reed DeMordaunt, Chairman,** spoke to the Governor's Task Force recommendations and briefly commented as follows:
Leadership Awards Premium. The recommendation satisfies the "Leadership Awards" component of the career ladder recommendation of the Governor's Task Force on improving Education (Task force Summary Recommendation 12 and Fiscal Stability/Effective Teachers and Leaders Subcommittee recommendation 1.2.) He commented that leadership premium payments for public school educators, local school districts identify as serving in a leadership capacity.
Strategic Plan. School districts already feel burdened by the amount of "strategic planning" they do which is primarily compliance oriented. More important, a process and facilitated conversation between boards and superintendents that look at specific data, targets and bright spots. Fiscal impact of \$300K to provide board training.
Advanced Opportunities. All students have access to advanced opportunities by expanding post secondary offerings while a student is still in high school.
Discretionary/Operation Funding. Would support the Governor's recommendation as well as the Task Force recommendation to begin restoring discretionary dollars. There has been talk about changing the name from discretionary to operational. On the face of it, this seems like a fairly easy request. The reason for this request is there is a perception that the term discretionary means optional money. In his mind discretionary means that school districts have the discretion on how to use the money. In other words they have the flexibility they need, particularly through challenging economic times, in order to spend the money. Unfortunately, in the world of accounting terms like operation and discretionary have very specific meanings.

He voiced his concern that this would have an unintended consequence that would negatively affect our schools. Our state accounting system has operational costs, and personnel costs that are clearly distinct from one another. For our schools much of this discretionary spending has been used for personnel costs, particularly health care. So if we were to build an operational fence around these discretionary dollars then it could not be used for personnel costs.

School Net- Instructional Improvement System. We are moving full steam ahead in training the staff of 10 of our buildings for use of School Net as we now have confidence that our concerns have been heard and addressed.

Professional Development Budget. He recommended that the intent language should identify some of those dollars for professional development for teachers for the gifted and talented program.

SENATE EDUCATION COMMITTEE

PRESENTER: **Senator John Goedde, Chairman,** provided comments on policy priorities which impact the education budget. It was his intention to focus on recommendations from the Governor's Task Force on improving K-12 education in the order upon which stakeholders agree that progress can be made this year.

He discussed recommendations made by the Senate Education Committee as follows:

Restoration of Discretionary Funds. His committee agreed with the Task Force and the Governor that funds reduced during the recent recession need to be restored to the K-12 system.

Annual Strategic Planning. Supported funding for trustee and administrator training in this area.

Idaho Education Network. Supported the supplemental appropriation to keep the IEN going in this fiscal year as well as an appropriation in the next fiscal year.

Technology Pilots. The committee supports another year of funding for technology pilots.

Leadership Award. Supported this first step in the career ladder concept with the understanding that not every educator is a leader in the field.

Transparency. His committee recommends that efforts be made to clearly separate funds used by the Department of Education within the Public Education budget from money flowing directly to local districts.

Professional Technical Education (PTE). Strongly support additional PTE funding to assure that PTE has the ability to move forward toward that goal.

Charter School Funding. Recommended leaving \$150,000 of General Funds to start the additional work required by the charter school changes made last year and additional requirements of assistance and supervision.

Schoolnet. Under consideration, and still gathering feed back from districts and education stakeholders.

State Board Committee Work. Recommend approval of the supplemental appropriation in the current budget year to initiate the committees working on those Task Force recommendations not ready for legislative action and support an appropriation in the upcoming budget to fund the continuation of that work.

Interim Committees Recommended approval of the supplemental appropriation and upcoming appropriation in the upcoming budget.

Interim Committee. Supported formation of two interim committees at \$10,000 each. The first interim committee would study Professional-Technical Education, its

funding is split between secondary and post secondary education, and how programs are approved. The second committee would study how health insurance is provided to employees in the education arena.

HOUSE AGRICULTURAL AFFAIRS COMMITTEE

PRESENTER: **Representative Ken Andrus, Chairman** spoke to the Governor's recommendation for wolf control. He supported agriculture research and agricultural education improvement, which is not in the regular budget process. He felt that agriculture research is very important to Idaho.

SENATE JUDICIARY & RULES COMMITTEE

PRESENTER: **Senator Patti Anne Lodge, Chairman**, spoke to the number of children who have an incarcerated parent in Idaho, estimated 9,056 children. Children of incarcerated parents are five times more likely to go to prison. She discussed working with various groups and organizations on Justice Reinvestment.

We must remain focused on reducing the costs that make our communities safe for people who come out of the correction system. These costs could be reduced with treatment and be the best investment. Asking for five probation officers is not enough because there is the need to concentrate on high risk people. She supported the \$2 million of new funding for recidivism. Investment in children is a much better investment. Speaking to another issue, treatment services need a few extra people to do a better job and reinvestment.

HOUSE JUDICIARY & RULES COMMITTEE

PRESENTER: **Representative Rich Wills, Chairman** commented on HB 340, changing the policy relating to judges which he supported. He commented that the Supreme Court can not get well qualified staff people and work groups are working to overcome obstacles with the change in mandate. The Supreme Court needs more money in this program. He also supported the need for more State Police officers for highway safety for more money in their programs.

SENATE TRANSPORTATION COMMITTEE

PRESENTER: **Senator Bert Brackett, Chairman** spoke to the effort this past year to start the discussion about the need for increased transportation funding for maintenance. The Governor's Task Force identified some potential revenue sources and attempted to rank their acceptability; which included gas tax, registration fees, shifting sales tax, and several other items. The report did not consider capacity expansion or safety enhancements that they are without adequate funding for transplantedation.

He spoke to some very positive things:

- (1) Realignment generated \$12.5 million in personnel and insurance savings
- (2) Improvement in cash forecasting and project management practices should provide an additional \$100 million in highway maintenance
- (3) Changing how the state repays the last two GARVEE bonds it issued, an estimated \$40 million in interest will be saved.

Reported that they have taken on some tough issues this year and next year he

believed the state will be set to make a concerted effort to bite the bullet and raise revenue to maintain the good infrastructure system we have inherited.

He discussed other issues that affect transportation and transportation in Idaho on the federal level.

SENATE RESOURCES AND ENVIRONMENT COMMITTEE

PRESENTER: **Senator Monty Pearce, Chairman** spoke to the water problem on the eastern Snake River plain. In case this can not be resolved he suggested that this committee appropriate \$100,000 to \$200,000 to help in solving this problem. If the money is not used it should be stipulated that it be returned.

SENATE AGRICULTURAL AFFAIRS COMMITTEE

PRESENTER: **Senator Steve Bair, Chairman** stated that agriculture is the largest industry in Idaho. Idaho is also the largest potato grower and 3rd in the nation in production. He commented that the Agricultural Affairs Committee reviewed the National Agricultural Education Initiative. As to the budget situation, the dollars flowing to the agricultural extension projects will go a long way. He supported the Governor's recommendation budget for the Idaho Conservation Commission budget.

Representative Bell
Chair

Kathryn Yost
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
LINCOLN AUDITORIUM WW02
Friday, February 14, 2014

Public Hearing on Budget Related Issues

PUBLIC TESTIMONY ON IDAHO'S BUDGET FOR FISCAL YEAR 2015

Those interested in providing testimony may sign in as early as 7:00 a.m.

Testimony will be heard on a first-come, first-served basis; with some exceptions at the call of the Chair in consideration of geographic diversity.

Testimony will be limited to three minutes.

You are welcome to submit written testimony upon signing in.

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, February 14, 2014
TIME: 8:00 A.M.
PLACE: LINCOLN AUDITORIUM WW02
MEMBERS PRESENT: Senators: Co-chairman Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayne, Schmidt, Lacey
Representatives: Co-chairman Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King
ABSENT/EXCUSED: None
STAFF PRESENT: Holland-Smith, Headlee, Bybee, Lockett, Tatro, Hoskins
CONVENED: Chairman Cameron convened the meeting at 8:00 a.m.

PUBLIC HEARING: HEARING ON BUDGET-RELATED ISSUES

The Committee held a general budget testimony hearing on any budget topic, requesting only that the testimony be limited to budget issues. Those testifying are listed below:

Name/Representing	Residing at	Budget Area of Concern
Donna Yule, Idaho Public Employees Assn	Boise	Employee Compensation Funding
Frank Monastario, Catholic Charities	Mtn. Home	Medicaid Expansion
Laura Scuri, Access Behavioral Health	Boise	Mental Health Funding
Vanessa Johnson, Access Behavioral Health	Boise	Mental Health Funding
Jerry Reininger, Meridian School District	Meridian	Funding for Idaho Education Network
David L. Lounsberry, ICAN	Lewiston	Need Health Care Reform
Gerald Lucas, ICAN	Grangeville	Restore Medicaid Dental Services
Eric Lecht	Boise	Funding for Idaho State Police Troopers
Becky Woodhead, WITCO	Caldwell	Community Supported Employment
Glen Seymoniak, McCall/Donnelly School Supertendent	McCall Donnelly	Funding for Idaho Education Network

David LeDuc, Community Partnerships	Boise	Community Supported Employment
Brett Wilder, Idaho FFA	Meridian	Funding for Ag Education
Seth Pratt, Cattle Producer	Blackfoot	Funding for Ag Education
Stephen Parrott, FFA and Northwest Farm Credit	Middleton	Funding for Ag Education
Mike Pohanka, Idaho State Police	Jerome	Funding Salaries for Idaho State Police
Patrick Goff, Horseshoe Bend/Garden Valley School District	Boise	Funding for Idaho Education Network
Sara Lloyd, Stepping Stones	Boise	Community Supported Employment
Mike Marten, Educator	Marsing	Funding for Ag Education
Kim O'Neill, Teacher/Parent/IEA	Idaho Falls	Funding for Education
Derik Johnson/Shandy Gillman, Students	Idaho Falls	Funding for Education
Terri Bentley, Nampa Teacher	Meridian	Funding for Education
Kris Carte, Nampa Teacher	Nampa	Funding for Education
Beth Oppenheimer, Id Assn Young People	Boise	Funding for Pre-K Education
Matthew Aumeier, High School Student	Idaho Falls	Funding for Education
John Neely	Mtn. Home	Funding for Idaho Education Network
Luke Franklin, Meridian Ed. Assn.	Boise	Funding for Education
Karen Echeverria, School Bd. Assn.	Boise	Fund All Education Task Force Recommendations
Robin Nettinga, Id. Education Assn.	Nampa	Fund All Education Task Force Recommendations
Rob Winslow, Id Assn School Admin.	Boise	Fund All Education Task Force Recommendations
Katherine Hansen, Com.Partnerships	Boise	Fund Community-based Services
Kristi Young	Boise	Fund Infant/Toddler Program
Tony DuPont	Boise	Issue with Idaho Department of Finance Director
Mike Masterson, Boise Police Dept.	Boise	Fund Community Crisis Centers

Bill Benkula	Twin Falls	Expand Medicaid & Emp. Services
Earline Worthley, Retired Teacher	Weiser	Funding for Education
Mike Lanza	Boise	Fund Ed Task Force Recommendations
Steve Worthley, Retired Teacher	Weiser	Funding for Education
DeVere Hunt	Idaho Falls	Funding for Mental Health
Sam Perez, Meridian School District	Boise	Funding for Idaho Education Network
Valerie Candelaria	Boise	Opposed to Funding Common Core
William Goodman, IETA	Mtn. Home	Funding for Idaho Education Network
Corty Rodriguez, Community Connections	Boise	Fund Community-based Services
Tina Polishchuk, Gifted/Talented Teacher	Boise	Funding Gifted/Talented Program

ADJOURNED: Chairman Cameron adjourned the meeting at 10.05 a.m.

Senator Cameron
Chair

Peggy Moyer
Secretary

AMENDED AGENDA #1
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:30 A.M.
Room C310
Monday, February 17, 2014

SUPPLEMENTALS

SUBJECT	DESCRIPTION	PRESENTER
p.6 #1	DEPARTMENT OF HEALTH & WELFARE <i>Satisfy Audit Findings/ Use of TANF</i>	<i>Jared Tatro</i> <i>Senior Analyst</i>
p.6 #3	Division of Medicaid <i>OT Fund Shift onto Receipts</i>	
p.7 #4	Psychiatric Hosp- State Hospital South <i>Medicare Increased Collections</i>	
p.7 #5	Public Health Services <i>Immunizations for Children</i>	
p.8 #8	<i>Additional Federal Personnel Costs</i>	
p.8 #9	Service Integration <i>Additional Federal Personnel Costs</i>	
p.9 #10	Division of Welfare <i>Enhanced Medicaid Match</i>	
p.10 #11	DEPARTMENT OF CORRECTION Management Services <i>Balla Legal Fees</i>	<i>Richard Burns</i> <i>Principal Analyst</i>
	Private Prisons <i>Idaho Correctional Center Rescission</i>	
LBB 3-30	Correctional Alternative Placement <i>CAPP Shortfall</i>	
p.11 #14	County & Out-of-State Placement <i>Offender Housing</i>	
p.12 #15	Education & Treatment <i>Substance Abuse Treatment Services</i>	
p.13 #16	Medical Services <i>Contract Extension & New Contract</i>	
LBB 1-79	OFC OF STATE BOARD OF EDUCATION <i>Special Committees to Study Public Schools</i>	<i>Paul Headlee</i> <i>Deputy Div Manager</i>
LBB 4-55	DEPT OF PARKS & RECREATION Lava Hot Springs Foundation <i>Personnel Costs Shortfall</i>	<i>Ray Houston</i> <i>Principal Analyst</i>

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Monday, February 17, 2014
TIME: 8:30 A.M.
PLACE: Room C310
MEMBERS: Senators Co-chairman Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey
Representative(s) Co-chairman Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

**ABSENT/
EXCUSED:** None

CONVENED: Chairman Bell called the meeting to order at 8:30 a.m.

SUPPLEMENTS

DEPARTMENT OF HEALTH AND WELFARE

PRESENTER: **Jared Tatro, Senior Analyst**, explained various requests made by the Department of Health and Welfare.

**UNANIMOUS
CONSENT:** On request by **Schmidt**, granted by unanimous consent, FY 2014 budget for the Department Health and Welfare was reopened.

Child Welfare and Foster Care Assistance

CARRIED: **Original Motion**
Moved by **Schmidt**, seconded by **Lacey**, to the Department of Health and Welfare for the Child Welfare and Foster Care Assistance programs a fund shift by object and between programs that nets to zero dollars. First it includes an additional appropriation for the Child Welfare program of \$961,900 from personnel costs and \$437,200 from expenditures in the General Fund and a reduction of \$961,900 from personnel costs and \$437,200 from operating expenditures from federal funds. Next it includes for the Foster Care Assistance program, an additional appropriation of \$1,399,100 in trustee and benefit payments in federal funds and a corresponding reduction of \$1,399,100 from trustee and benefit payment from General Funds. This change in the appropriation is ongoing.

Ayes: 18

Cameron, Keough, Mortimer, Nuxoll, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 2

Vick, Johnson

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

Division of Medicaid

CARRIED:

Original Motion

Moved by **Schmidt**, seconded by **Lacey** to the Department of Health and Welfare for the Division of Medicaid an additional appropriation of \$11,516,200 in dedicated funds, a reduction of \$2,022,900 of General Funds, and a reduction of \$9,493,300 of federal funds, all in trustee and benefit payments on a one-time basis.

Ayes: 19

Cameron, Keough, Mortimer, Vick, Nuxoll, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Johnson

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

Psychiatric Hospitalization—State Hospital South

CARRIED:

Original Motion

Moved by **Schmidt**, seconded by **Lacey**, to the Department of Health and Welfare for the Psychiatric Hospitalization Division for State Hospital South an additional appropriation of \$118,700 of personnel costs and \$639,900 of operating expenditures in dedicated funds on a one-time basis, and additional appropriation of \$28,100 for a total of \$786,700.

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

Physical Health Services

CARRIED:

Original Motion

Moved by **Schmidt**, seconded by **Lacey**, to the Department of Health and Welfare for the Physical Health Services Program \$1,150,000 in dedicated funds and \$546,000 in General Funds for a total of \$1,696,000 All on-time..

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without

objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

**UNANIMOUS
CONSENT:**

On request by **Schmidt** granted by unanimous consent, to include the Legislative Intent Language to Public Health Services supplemental as shown below.

Legislative Intent Language

It is the intent of the Legislature that moneys appropriated from the General Fund to the Department of Health and Welfare in the Division of Public Health in the Physical Health Services Program in _____, are to be used solely for the purchase of TRICARE vaccines. Further, any moneys not expended for TRICARE vaccines are to be reverted back to the General Fund at the close of the fiscal year as soon as is practicable.

Public Health Services

CARRIED:

Original Motion

Moved by **Schmidt**, seconded by **Lacey**, to the Department of Health and Welfare for the Physical Health Services Program an additional \$716,300 in personnel costs from federal funds, ongoing.

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

Division of Service Integration

CARRIED:

Original Motion

Moved by **Schmidt**, seconded by **Lacey**, to the Department of Health and Welfare for the Service Integration Program an additional \$530,300 in personnel costs from federal funds, ongoing.

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

Self-Reliance Program

CARRIED:

Original Motion

Moved by **Schmidt**, seconded by **Lacey**, to the Department of Health and Welfare in the Self-Reliance Program an additional \$2,263,400 in personnel costs in federal funds. This additional appropriation is one-time. In addition, any General Fund savings as a result of this enhanced match are subject to the intent language set forth Section 10 of H327 that was passed by the Legislature in 2013.

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

DEPARTMENT OF CORRECTION

PRESENTER:

Richard Burns, Principal Analyst

**UNANIMOUS
CONSENT:**

On request by **Bolz**, granted by unanimous consent, the Department of Correction budget for FY 2014 was reopened.

Management Services

CARRIED:

Original Motion

Moved by **Bolz**, seconded by **Youngblood**, a one-time supplemental appropriation of \$200,000 from the General Fund from General Fund for a total of \$200,000 for fiscal year 2014, for the purpose of covering legal fees associated with the Walter D. Balla v Idaho State Board of Correction court case.

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

Idaho Correction Center (ICC)

CARRIED:

Original Motion

Moved by **Bolz**, seconded by **Youngblood**, for the privately-operated Correctional Center, a one-time rescission of \$502,300 from the General Fund for a total of \$502,300 for fiscal year 2014, due to savings generated by the department not increasing their contractual amount with Corrections Corporation of America (CCA).

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

Correctional Alternative Placement Program (CAPP)

CARRIED:

Original Motion

Moved by **Bolz**, seconded by **Youngblood**, an additional ongoing supplemental of \$40,600 from the General Fund for a total of \$40,600 for fiscal year 2014 to cover the cost of housing additional inmates at the facility.

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

County and Out-of-Placement Placement

CARRIED:

Original Motion

Moved by **Bolz**, seconded by **Youngblood**, an ongoing supplemental appropriation of \$407,500 from the General Fund for a total of \$407,500 for fiscal year 2014 to cover inmate housing costs.

Ayes: 19

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Eskridge

The majority having voted in the affirmative, the motion has passed and without

objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

Education and Treatment, Community-Based Substance Abuse Treatment

CARRIED:

Original Motion

Moved by **Bolz**, seconded by **Lacey**, the appropriation and transfer \$953,425.60 from the Substance Abuse Treatment Fund within the Supreme Court to the Substance Abuse Treatment Fund within the department of Correction for fiscal year 2014.

Ayes: 18

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Thompson, Gibbs, Stevenson, Miller, Ringo, King

Nays: 0

Ab/Ex: 2

Eskridge, Youngblood

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

Community-Based Substance Treatment Program

CARRIED:

Original Motion

Moved by Bolz, seconded by **Lacey**, a one-time supplemental appropriation of \$818,900 from the Substance Abuse Treatment Fund for a total of \$818,900 for fiscal year 2014 to cover substance abuse treatment services for offenders in need of such services.

Ayes: 18

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Thompson, Gibbs, Stevenson, Miller, Ringo, King

Nays: 0

Ab/Ex: 2

Eskridge, Youngblood

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

Medial Services

CARRIED:

Original Motion

Moved by **Bolz**, seconded by **Youngblood**, a supplemental appropriation of \$1,045,500 from the General Fund and \$150,000 from the Miscellaneous Revenue Fund for a total of \$1,195,500 for fiscal year 2014 to cover the cost of inmate medical care.

Ayes: 18

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Lacey, Bell, Bolz, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 1

Schmidt

Ab/Ex: 1

Eskridge

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

OFFICE OF THE STATE BOARD OF EDUCATION

PRESENTER:

Paul Headlee, Deputy Division Manager,

**UNANIMOUS
CONSENT:**

At the request by **Mortimer**, granted by unanimous consent, the FY 2014 budget for the Office of the State Board of Education was reopened.

CARRIED:

Original Motion

Moved by **Mortimer**, seconded by **Miller**, the appropriation of \$20,000 from the General Fund to the Office of the State Board of Education, Administration Program, for fiscal year 2014.

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

**UNANIMOUS
CONSENT;**

On request by **Mortimer**, granted by unanimous consent, to include the Legislative Intent Language to The Department of State Board of Education.

Legislative Intent Language

It is the intent of the Legislature that the moneys appropriated in this act may be expended during FY 2014 in support of special committees, under the oversight of the State Board of Education, to study K-12 public school structure and funding. The committees could address career ladder compensation, tiered licensure, accountability, autonomy, mastery learning, average daily attendance, or cooperative service agencies, but would not be limited to those topics. The State Board of Education shall report on the use of funds to the Idaho Legislature's Joint Appropriations Committee, Senate Education Committee, and House Education Committee by no later than February 1, 2015.

DEPARTMENT OF PARKS AND RECREATION

PRESENTER: Ray Houston, Principal Analyst

UNANIMOUS CONSENT: On request by **Mortimer**, granted by unanimous consent, the FY 2014 budget for the Lava Hot springs Foundation was reopened.

Lava Hot Springs Foundation

CARRIED: **Original Motion**

Moved by **Gibbs**, seconded by **Lacey**, to the Lava Hot Springs Foundation an additional \$54,000 in personnel costs from the dedicated Lava Hot springs Foundation Fund for fiscal year 2014, ongoing.

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

ADJOURN: There being no further business to come before the Committee, Chairman bell adjourned the meeting at 10:02 a.m.

Representative Bell
Chair

Kathryn Yost
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Tuesday, February 18, 2014

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
LBB 5-27	Department of Finance	<i>Keith Bybee</i> <i>Principal Budget & Policy Analyst</i>
LBB 5-33	Industrial Commission	
	Self-Governing Agencies	
LBB 5-63	Division of Building Safety	
LBB 5-85	State Lottery	
LBB 4-27	Endowment Fund Investment Board	<i>Ray Houston</i> <i>Principal Budget & Policy Analyst</i>
	Governor's Office	
LBB 6-73	Office of Energy Resources	
LBB 5-53	Public Utilities Commission	
LBB 4-55	Lava Hot Springs Foundation	

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, February 18, 2014
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators: Co-chairman Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey
Representatives: Co-chairman Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King
ABSENT/EXCUSED: None
STAFF PRESENT: Bybee, Houston
CONVENED: Chairman Cameron convened the meeting at 8:00 a.m.

BUDGET SETTING: **SETTING FY 2015 APPROPRIATIONS**

DEPARTMENT OF FINANCE

PRESENTER: **Keith Bybee, Principal Budget and Policy Analyst**

Disclosure of Possible Conflict of Interest

Pursuant to House Rule 38, Representative Youngblood disclosed he has a possible conflict of interest under applicable law; he does plan to vote on the issue currently before the Committee.

Pursuant to Senate Rule 39(H), Senator Mortimer disclosed he has a possible conflict of interest under applicable law; he does plan to vote on the issue currently before the Committee.

CARRIED **Original Motion**

Moved by Youngblood, seconded by Thompson, to approve for introduction \$0 General Funds, \$7,210,900 Dedicated Funds, \$0 Federal Funds for a total of \$7,210,900 with FTP of 64.00

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

**INTENT
LANGUAGE:**

Legislative Intent Language

The Department of Finance is hereby granted continuous appropriation authority for reimbursement of persons to whom an Idaho court awards actual damages resulting from acts constituting violations of the Idaho Residential Mortgage Practices Act by a mortgage broker, mortgage lender or mortgage loan originator who was licensed or required to be licensed, per Section 26–31–109, Idaho Code.

Unanimous Consent Request

Moved by Youngblood, granted by unanimous consent, the legislative intent language shown above was accepted.

INDUSTRIAL COMMISSION

PRESENTER: Keith Bybee, Principal Budget & Policy Analyst

CARRIED: **Original Motion**

Moved by Schmidt, seconded by Johnson, to approve for introduction \$0 General Funds, \$14,890,600 Dedicated Funds, \$800,000 Federal Funds for a total of \$15,690,600 with FTP of 137.25

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

SELF-GOVERNING AGENCIES

Division of Building Safety

PRESENTER: Keith Bybee, Principal Budget & Policy Analyst

CARRIED: **Original Motion**

Moved by Schmidt, seconded by Mortimer, to approve for introduction \$0 General Funds, \$11,123,000 Dedicated Funds, \$44,100 Federal Funds for a total of \$11,167,100 with FTP of 121.00

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

SELF-GOVERNING AGENCIES

State Lottery

PRESENTER: **Keith Bybee, Principal Budget & Policy Analyst**

CARRIED: **Original Motion**

Moved by Gibbs, seconded by Ringo, to approve for introduction \$0 General Funds, \$5,627,700 Dedicated Funds, \$0 Federal Funds for a total of \$5,627,700 with FTP of 47.00

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

**INTENT
LANGUAGE:**

Legislative Intent Language

It is the legislative intent that amounts necessary to pay prizes, retailer commissions, advertising and promotional costs, and gaming supplier vendor fees based on sales shall be continuously appropriated to the State Lottery under the provisions of Section 67–7428, Idaho Code.

Unanimous Consent Request

Moved by Gibbs, granted by unanimous consent, the legislative intent language shown above was accepted.

BOARD OF LAND COMMISSIONERS

Endowment Fund Investment Board

PRESENTER: Ray Houston, Principal Budget & Policy Analyst

CARRIED:

Original Motion

Moved by Ringo, seconded by King, to approve for introduction \$0 General Funds, \$630,300 Dedicated Funds, \$0 Federal Funds for a total of \$630,300 with FTP of 3.70

Ayes: 13

Cameron, Keough, Mortimer, Thayn, Lacey, Bell, Bolz, Eskridge, Gibbs, Miller, Youngblood, Ringo, King

Nays: 7

Vick, Nuxoll, Johnson, Bayer, Schmidt, Thompson, Stevenson

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

**INTENT
LANGUAGE:**

Legislative Intent Language

SECTION 3. The Endowment Fund Investment Board is hereby granted continuous appropriation authority for consulting fees, bank custodial fees, and portfolio related external costs for the period July 1, 2014, through June 30, 2015.

SECTION 4. LEGISLATIVE INTENT. It is legislative intent that for fiscal year 2015, the Endowment Fund Investment Board transfer \$51,580,800 as follows: \$31,292,400 from the Public School Earnings Reserve Fund to the Public School Income Fund; \$1,164,000 from the Agricultural College Earnings Reserve Fund to the Agricultural College Income Fund; \$3,852,000 from the Charitable Institutions Earnings Reserve Fund to the Charitable Institutions Income Fund; \$3,144,000 from the Normal School Earnings Reserve Fund to the Normal School Income Fund; \$1,707,600 from the Penitentiary Earnings Reserve Fund to the Penitentiary Income Fund; \$3,866,400 from the Scientific School Earnings Reserve Fund to the Scientific School Income Fund; \$3,228,000 from the Mental Hospital Earnings

Reserve Fund to the Mental Hospital Income Fund; and \$3,326,400 from the University Earnings Reserve Fund to the University Income Fund.

Unanimous Consent Request

Ringo requested unanimous consent that the intent language shown above be accepted. There was an **objection**.

Original Motion

Moved by Ringo, seconded by Bell, to approve the intent language shown above as Sections 3 and 4.

Ayes: 14

Cameron, Keough, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Miller, Youngblood, Ringo, King

Nays: 6

Mortimer, Vick, Nuxoll, Johnson, Bayer, Stevenson

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

OFFICE OF THE GOVERNOR
Office of Energy Resources

PRESENTER: Ray Houston, Principal Budget & Policy Analyst

CARRIED: **Original Motion**

Moved by Eskridge, seconded by Thompson, to approve for introduction \$0 General Funds, \$1,024,200 Dedicated Funds, \$431,500 Federal Funds for a total of \$1,455,700 with FTP of 8.00

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

PUBLIC UTILITIES COMMISSION

PRESENTER: Ray Houston, Principal Budget & Policy Analyst

CARRIED: **Original Motion**

Moved by Eskridge, seconded by Johnson, to approve for introduction \$0 General Funds, \$5,628,800 Dedicated Funds, \$179,600 Federal Funds for a total of \$5,808,400 with FTP of 50.00

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

DEPARTMENT OF PARKS AND RECREATION

Lava Hot Springs Foundation

PRESENTER: Ray Houston, Principal Budget & Policy Analyst

CARRIED: **Original Motion**

Moved by Lacey, seconded by Gibbs, to approve for introduction \$0 General Funds, \$2,374,400 Dedicated Funds, \$0 Federal Funds for a total of \$2,374,400 with FTP of 13.80

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

ADJOURNED: Chairman Cameron adjourned the meeting at 9:15 a.m.

Senator Cameron
Chair

Peggy Moyer
Secretary

AMENDED AGENDA #1
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Wednesday, February 19, 2014

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
LBB 2-87	Public Health Districts	<i>Jared Tatro</i> <i>Senior Budget & Policy Analyst</i>
LBB 5-111	Self-Governing Agencies Division of Veterans Services	
LBB 5-91	Medical Boards	
LBB 6-67	Office of the Governor Office of Drug Policy	
LBB 6-87	Office of the Governor Division of Human Resources	<i>Robyn Lockett</i> <i>Senior Budget & Policy Analyst</i>
LBB 6-105	PERSI	
LBB 6-57	Arts Commission	
p.12 #15	Department of Correction Technical Correction: Supplemental <i>Substance Abuse Treatment Services</i>	<i>Richard Burns</i> <i>Principal Budget & Policy Analyst</i>

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, February 19, 2014

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS: Senators Co-chairman Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey
Representative(s) Co-chairman Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

**ABSENT/
EXCUSED:** None

CONVENED: Chairman Bell called the meeting to order at 8:00 a.m.

SETTING FY 2015 APPROPRIATIONS

PUBLIC HEALTH DISTRICTS

PRESENTER: **Jared Tatro, Senior Budget and Policy Analyst**

Original Motion

Moved by Nuxoll, seconded by Mortimer, \$8,515,300 from the General Fund to the Public Health Districts for fiscal year 2015.

CARRIED: **Substitute Motion** Moved by **King**, seconded by **Ringo**, \$8,531,200 from the General Fund to the Public Health Districts for fiscal year 2015.

Ayes: 11

Keough, Schmidt, Lacey, Bell, Bolz, Eskridge, Gibbs, Miller, Youngblood, Ringo, King

Nays: 9

Cameron, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Thompson, Stevenson

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

SELF GOVERNING

Division of Veterans Services

PRESENTER: **Jared Tatro, Senior Budget & Policy Analyst**

CARRIED:

Original Motion

Moved by **Eskridge**, seconded by **Stevenson**, to approve for introduction \$964,300 General Funds, \$14,964,300 Dedicated Funds, \$14,226,800 Federal Funds for a total of \$30,155,400 and 328.00 FTP for fiscal year 2015.

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

Medical Boards

PRESENTER: **Jared Tatro, Senior Budget and Policy Analyst**

CARRIED: **Original Motion**

Moved by **Schmidt**, seconded by **King**, to approve for introduction \$5,477,700 Dedicated Funds with FTP of 44.40 for fiscal year 2015.

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

OFFICE OF THE GOVERNOR

Office on Drug Policy

PRESENTER: **Jared Tatro, Senior Budget and Policy Analyst**

CARRIED: **Original Motion**

Moved by **Schmidt**, seconded by **Bolz**, to approve for introduction \$296,800 General Funds, \$3,500 Dedicated Funds, \$3,316,000 Federal Funds for a total of \$3,616,300 with FTP of 6.0 for fiscal year 2015.

Ayes: 17

Cameron, Keough, Mortimer, Johnson, Bayer, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 3

Vick, Nuxoll, Thayn

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

.OFFICE OF THE GOVERNOR

PRESENTER: **Robyn Lockett, Senior Budget and Policy Analyst**
Division of Human Resources

CARRIED: **Original Motion**

Moved by **Thompson**, seconded by **Thayn**, JFAC adjusted budget that includes benefit costs, statewide cost allocation, the CEC, and the IT-related billing fees approve for introduction \$1,723,600 Dedicated Funds, with FTP of 12.00 for fiscal year 2015.

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

UNANIMOUS CONSENT: At the request by **Thompson**, granted by unanimous consent, the legislative intent language shown below was accepted and will be included in the Division of Human Resources.

Legislative Intent Language

SECTION _____. LEGISLATIVE INTENT. Of the amount appropriated in Section ____ of this act, the Division of Human Resources shall pay the Division of Professional-Technical Education for the cost of providing statewide management and human resources training. The payment amount shall be equal to the Miscellaneous Revenue Fund expenditures in fiscal year 2015 within the Related Services Program of the Division of Professional-Technical Education, less any unencumbered balance remaining in June 30, 2014.

Public Employee Retirement System

CARRIED: **Original Motion**

Moved by **Thayn**, seconded by **Thompson**, to approve for introduction \$7,119,100 from Dedicated Funds, with FTP of 64 for the fiscal year 2015.

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

LEGISLATIVE INTENT: At the request by **Thayn**, granted by unanimous consent, the legislative intent language shown below was accepted and will be included in the Public Employee Retirement System.

Legislative Intent Language

LEGISLATIVE INTENT. Notwithstanding Section 59–1311 (4)(d), Idaho Code, moneys appropriated in Section ____ of this act for the Portfolio Investment Program are for administrative costs of the Portfolio Investment Program as provided in section 59–1311(3), Idaho Code. Amounts necessary to pay all other investment expenses related to the Portfolio Investment Program are perpetually appropriated to the Public Employee System Board as provided in Section 59–1311 (4)(a), (b), and (c), Idaho Code.

Commission on the Arts

CARRIED:

Original Motion

Moved by Ringo, seconded by Keough, to approve for introduction \$702,000 General Funds, \$106,100 Dedicated Funds, \$1,030,400 federal funds for a total of \$1,838,500 with FTP of 10.

Ayes: 17

Cameron, Keough, Mortimer, Johnson, Bayer, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 3

Vick, Nuxoll, Thayn

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

SUPPLEMENTAL

DEPARTMENT OF CORRECTION

Education Treatment-Community- Based Abuse Treatment

PRESENTER:

Richard Burns, Principal Analyst:

**UNANIMOUS
CONSENT:**

On request by Bolz, granted by unanimous consent, to reopen the FY 2014 budget for the Department of Correction for the purpose of making a technical correction.

Original Motion

Moved by Bolz, seconded by Keough, the appropriation and transfer of \$943,425.60 from the Substance Abuse Treatment Fund within the Supreme Court to the Substance Abuse Treatment Fund within the Department of Correction for fiscal year 2014.

Ayes: 19

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Gibbs

The majority having voted in the affirmative, the motion has passed and without

objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

ADJOURNED: There being no further business to come before the Committee, Chairman Bell adjourned the meeting at 9:06 a.m.

Representative Bell
Chair

Kathryn Yost
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Thursday, February 20, 2014

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
	State Board of Education	<i>Paul Headlee</i>
LBB 1-81	Health Education Programs	<i>Deputy Division Manager</i>
LBB 1-103	Special Programs	
LBB 1-75	Office of the State Board of Education	
LBB 6-131	Lieutenant Governor	<i>Jared Hoskins</i>
		<i>Budget & Policy Analyst</i>
LBB 6-149	Secretary of State	
LBB 2-93	State Independent Living Council	

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, February 20, 2014
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators: Co-chairman Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey
Representatives: Co-chairman Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King
ABSENT/EXCUSED: None
STAFF PRESENT: Headlee, Hoskins
CONVENED: Chairman Cameron convened the meeting at 8:00 a.m.
BUDGET SETTING: **SETTING FY 2015 APPROPRIATIONS**

STATE BOARD OF EDUCATION
Health Education Programs

PRESENTER: **Paul Headlee, Deputy Division Manager, Budget and Policy Analysis**

CARRIED: **Original Motion**
Moved by Thompson, seconded by Schmidt, to approve for introduction \$11,355,700 General Funds, \$299,900 Dedicated Funds, \$0 Federal Funds for a total of \$11,655,600 with FTP of 21.30. Includes carry over of unencumbered and unspent dedicated funds from FY 2014 into FY 2015 for the Dental Education Program.

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

Special Programs

PRESENTER: Paul Headlee, Deputy Division Manager, Budget & Policy Analysis

CARRIED **Original Motion**

Moved by Keough, seconded by Thompson, to approve for introduction \$9,346,400 General Funds, \$0 Dedicated Funds, \$1,723,100 Federal Funds for a total of \$11,069,500 with FTP of 32.13

Ayes: 19

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Gibbs

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron..

Office of the State Board of Education

PRESENTER: Paul Headlee, Deputy Division Manager, Budget & Policy Analysis

CARRIED: **Original Motion**

Moved by Mortimer, seconded by Thompson, to approve for introduction \$2,246,200 General Funds, \$658,400 Dedicated Funds, \$2,724,600 Federal Funds for a total of \$5,629,200 with FTP of 23.75
C/O for fed funds only

Ayes: 19

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Gibbs

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

**INTENT
LANGUAGE:**

Legislative Intent Language

It is the intent of the Legislature that up to \$30,000 of General Fund moneys appropriated in this act may be expended during FY 2015 in support of special committees, under the oversight of the State Board of Education, to study K-12 public school structure and funding. The committees could address career ladder compensation, tiered licensure, accountability, autonomy, mastery learning, average daily attendance, or cooperative service agencies, but would not be limited to those topics. The State Board of Education shall report on the use of funds to the Idaho Legislature's Joint Finance-Appropriations Committee, Senate Education Committee, and House Education Committee by no later than January 1, 2015.

Unanimous Consent Request

Moved by Mortimer, granted by unanimous consent, the legislative intent language shown above was accepted.

LIEUTENANT GOVERNOR

PRESENTER: Jared Hoskins, Budget & Policy Analyst

CARRIED: **Original Motion**

Moved by Thayn, seconded by Thompson, to approve for introduction \$153,300 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$153,300 with FTP of 3.00

Ayes: 19

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Gibbs

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

SECRETARY OF STATE

PRESENTER: Jared Hoskins, Budget & Policy Analyst

MOTIONS:

Original Motion

Moved by Bolz, seconded by Thayn, to approve for introduction \$2,371,900 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$2,371,900 with FTP of 27.00

FAILED:

Substitute Motion

Moved by Schmidt, seconded by Lacey, to approve for introduction \$2,442,900 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$2,442,900 with FTP of 27.00

Vote on Substitute Motion

Ayes: 6

Schmidt, Lacey, Eskridge, Miller, Ringo, King

Nays: 13

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Bell, Bolz, Thompson, Stevenson, Youngblood

Ab/Ex: 1

Gibbs

CARRIED

Vote on Original Motion

Ayes: 19

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Gibbs

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

STATE INDEPENDENT LIVING COUNCIL

PRESENTER:

Jared Hoskins, Budget & Policy Analyst

CARRIED:

Original Motion

Moved by Stevenson, seconded by Bayer, to approve for introduction \$98,600 General Funds, \$253,400 Dedicated Funds, \$374,800 Federal Funds for a total of \$726,800 with FTP of 4.00

Ayes: 19

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Gibbs

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

**INTENT
LANGUAGE:**

Legislative Intent Language

It is the intent of the Legislature that the State Controller shall transfer all unexpended and unencumbered balances from the State Independent Living Council Federal Fund (0291-03) to the Federal Grant Fund (0348) on July 1, 2014 or as soon thereafter as is practicable.

Unanimous Consent Request

Moved by Stevenson, granted by unanimous consent, the legislative intent language shown above was accepted.

ADJOURNED:

Chairman Cameron adjourned the meeting at 8:58 a.m.

Senator Cameron
Chair

Peggy Moyer
Secretary

AMENDED AGENDA #1
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Friday, February 21, 2014

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
LBB 5-105	Self-Governing Agencies State Appellate Public Defender	<i>Richard Burns</i> <i>Principal Budget & Policy Analyst</i>
LBB 6-31	Attorney General	
LBB 6-97	Office of the Governor Military Division	
LBB 6-111	Office of the Governor Office of Species Conservation	<i>Ray Houston</i> <i>Principal Budget & Policy Analyst</i>
LBB 4-11	Department of Fish and Game	
	Endowment Fund Investment Board <i>Update Legislative Intent Language</i>	

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, February 21, 2014

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS Senators Co-chairman Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey
Representative(s) Co-chairman Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

**ABSENT/
EXCUSED:** None

CONVENED: Chairman Bell called the meeting to order at 8:00 a.m.

SETTING FY 2015 APPROPRIATIONS

SELF GOVERNING AGENCIES

State Appellate Public Defender

PRESENTER: **Richard Burns, Principal Budget and Policy Analyst**

Original Motion

Moved by **Bolz**, seconded by **Mortimer**, to approve for introduction \$2,238,600 General Funds, with FTP of 23.00

FAILED: **Substitute Motion**

Moved by **Schmidt**, seconded by **Ringo** to approve \$2,527,200 General funds, with FTP of 24.00.

Ayes: 5

Keough, Schmidt, Lacey, Ringo, King

Nays: 15

Cameron, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood

Ab/Ex: 0

CARRIED: **Vote on the Original Motion**

AYES: 18

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood

Nays: 2

Ringo, King

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

OFFICE OF THE ATTORNEY GENERAL

PRESENTER: Richard Burns, Principal Budget and Policy analyst

Original Motion

Moved by **Ringo**, seconded by **King**, to approve for introduction \$20,154,200 General Funds, \$377,900 Dedicated Funds, \$1,075,400 Federal Funds for a total of \$21,607,500 with FTP of 195.60

CARRIED: **Substitute Motion**

Moved by Bolz, seconded by Youngblood, to approve for introduction \$20,036,300 General Funds, \$377,900 Dedicated Funds, \$1,075,400 Federal Funds for a total of \$21,489,600 with FTP of 194.60

Ayes: 15

Cameron, Keough, Mortimer, Vick, Nuxoll, Bayer, Thayn, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood

Nays: 5

Johnson, Schmidt, Lacey, Ringo, King

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

OFFICE OF THE GOVERNOR

Military Division

PRESENTER: Richard Burns, Principal Budget and Policy Analyst

CARRIED: **Original Motion**

Moved by **Stevenson**, seconded by **Bolz**, to approve for introduction \$5,621,800 General Funds, \$5,325,100 Dedicated Funds, \$54,839,200 Federal Funds for a total of \$65,786,100 with FTP of 314.80

Ayes: 19

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Thayn

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

UNANIMOUS CONSENT: At the request of **Stevenson**, granted by unanimous consent, the legislative intent language shown below was accepted and will be included in the Military Division.

Legislative Intent Language

The Military Division is hereby granted continuous appropriation authority for the Bureau of Homeland Security's Miscellaneous Revenue Fund for the period July 1, 2014, through June 30, 2015, for the purpose of covering incurred costs arising out of the hazardous substance incidents.

Office of Species Conservation

PRESENTER: Ray Houston, Principal Budget and Policy Analyst

Original Motion

Moved by **Eskridge**, seconded by **Miller**, to approve for introduction \$693,800 General Funds, \$57,000 Dedicated Funds, \$12,772,000 Federal Funds for a total of \$13,522,800 with FTP of 12.00

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

DEPARTMENT OF FISH AND GAME

PRESENTER: Ray Houston, Principal Budget and Policy Analyst

Original Motion

Moved by **Gibbs**, seconded by **Lacey**, to approve for introduction \$0 General Funds, \$52,100,800 Dedicated Funds, \$43,670,300 Federal Funds for a total of \$95,771,100 with FTP of 568.00

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

**UNANIMOUS
CONSENT:**

At the request of **Gibbs**, granted by unanimous consent, the legislative intent language shown below was accepted and will be include in the Department of Fish and Game appropriation.

Legislative Intent Language

Over the last three years, the Department of Fish and Game's expenditure from the license fund exceeded revenues by \$2.8 million or about \$1 million per year. Furthermore, the department submitted a fiscal year 2015 budget request that was 15% above projected revenues. It is the legislative intent that for the next budget cycle, the department take into account the trend of the last three years of actual revenues and take into account any approved policy changes to make a revised FY 2015 revenue estimate. The department is to recommend changes to bring the FY 2015 budget within 5 percent of projected revenues. Furthermore, the department is to submit a fiscal year 2016 budget request that details the revenue assumptions based on current law and a budget that does not exceed projected license revenues.

BOARD OF LAND COMMISSIONERS
Endowment Fund Investment Board

PRESENTER: **Ray Houston, Principal Budget and Policy Analyst**

UNANIMOUS CONSENT: On request by **Cameron** granted by unanimous consent, to reopen the FY 2015 budget for the Endowment Fund Investment Board for the purpose of updating the legislative intent regarding transfer from the earnings reserves to the income funds.

The Land Board met on Tuesday February 18 and increased the FY 2015 distribution to State Hospital South from \$3,228,000 to \$3,625,400 or by \$397,400. That brings the total transfer for FY 2015 to \$51,978,200.

UNANIMOUS CONSENT: On request by **Cameron**, granted by unanimous consent, that the legislative intent in section 4 of the appropriation bill for the Endowment Fund Investment Board be revised to a total of \$51,878,200 and to \$3,625,400 for the Mental Hospital transfer.

Representative Bell
Chair

Kathryn Yost
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Monday, February 24, 2014

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
	Department of Health and Welfare	<i>Jared Tatro</i>
LBB 2-27	Indirect Support Services	<i>Senior Budget & Policy Analyst</i>
LBB 2-23	Independent Councils	
LBB 2-83	Licensing and Certification	
LBB 2-55	Public Health Services	
	Office of the Governor	
LBB 6-49	Commission on Aging	
	State Treasurer	
LBB 6-163	Idaho Millennium Fund	
	Self-Governing Agencies	<i>Robyn Lockett</i>
LBB 5-79	Commission for Libraries	<i>Senior Budget & Policy Analyst</i>
LBB 6-39	State Controller	
	FY 2014 Supplemental:	
	Department of Administration	
LBB 6-10	<i>Idaho Education Network</i>	

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Monday, February 24, 2014
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators: Co-chairman Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey
Representatives: Co-chairman Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

**ABSENT/
EXCUSED:** None

**STAFF
PRESENT:** Tatro, Lockett

CONVENED: Chairman Cameron convened the meeting at 8:04 a.m.

**BUDGET
SETTING:** **SETTING FY 2015 APPROPRIATIONS**

DEPARTMENT OF HEALTH AND WELFARE
Indirect Support Services

PRESENTER: **Jared Tatro, Senior Budget & Policy Analyst**

CARRIED: **Original Motion**
Moved by Schmidt, seconded by Stevenson, to approve for introduction \$18,124,600 General Funds, \$2,361,000 Dedicated Funds, \$20,203,800 Federal Funds for a total of \$40,689,400 with FTP of 288.50

Ayes: 17

Cameron, Keough, Vick, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 3

Mortimer, Nuxoll, Gibbs

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

**INTENT
LANGUAGE:**

Department-Wide Legislative Intent Language

GENERAL FUND TRANSFERS. As appropriated, the State Controller shall make transfers from the General Fund to the Cooperative Welfare Fund, periodically, as requested by the director of the Department of Health and Welfare and approved by the Board of Examiners

TRUSTEE AND BENEFIT PAYMENTS. Notwithstanding the provisions of Section 67-3511, Idaho Code, funds budgeted in the trustee and benefit payments expenditure class shall not be transferred to any other expense classes during fiscal year 2015.

PROGRAM INTEGRITY. Notwithstanding any other provisions of law, it is hereby declared to be the intent of the Legislature that the Department of Health and Welfare shall be required to provide those services authorized or mandated by law in each program, only to the extent of funding and available resources appropriated for each budgeted program.

Unanimous Consent Request

Moved by Schmidt, granted by unanimous consent, the legislative intent language shown above was accepted.

Division Legislative Intent Language

MEDICAID TRACKING REPORT. The Department of Health and Welfare, Medical Assistance Services Division and Indirect Support Services Division shall deliver on a monthly basis to the Legislative Services Office and Division of Financial Management a report that compares the Medicaid budget as appropriated, distributed by month for the year, to actual expenditures and remaining forecasted expenditures for the year. The report shall also include a forecast, updated monthly, of the next fiscal year's anticipated trustee and benefit expenditures. The format of the report, and the information included therein, shall be determined by the Legislative Services Office and Division of Financial Management.

MEDICAID PROGRAM INTEGRITY COLLECTIONS. It is the intent of the Legislature that the Indirect Support Services Division provide quarterly reports to the Legislative Services Office and Division of Financial Management comparing the total costs from all funding sources used for the Medicaid Program Integrity Unit and the collections related to those efforts.

PROGRAM TRANSFER REPORT. The Department of Health and Welfare, Indirect Support Services Division shall provide, on a quarterly basis, to the Legislative Services Office and the Division of Financial Management a report that compares the Department budget as appropriated to the estimated expenditures of the Department for each budget unit to include transfers of FTP authority between and amongst budget units; transfers of appropriation, by fund, between and amongst budget units; and transfers of funds by expense class, between and amongst budget units.

Unanimous Consent Request

Moved by Schmidt, granted by unanimous consent, the legislative intent language shown above was accepted.

Legislative Intent Language regarding Appropriation by Fund

LEGISLATIVE INTENT REGARDING APPROPRIATION BY FUND. The Legislature recognizes the benefits of the Cooperative Welfare Fund for the Department of Health and Welfare, however, Management Review MR27012, as conducted by Legislative Services Office, Audit Division, identified areas of concern that included all three programs in the Division of Public Health Services exceeding their appropriated amounts, and transfers of appropriation between expenditure categories lacked proper approvals. Given the seriousness of these findings, along with the antiquated software system being used by the Department, it is the intent of the Legislature that the Department of Health and Welfare provide to the Legislative Services Office and the Division of Financial Management a multi-faceted plan by December 31, 2014 that shall include:

1. Ensuring appropriation compliance and providing transparency with appropriation remaining in the Cooperative Welfare Fund;
2. Providing the departments solution to handling accounting transactions in the coming years, which may include: a. Replacing the current software system; b. Working with the Office of the State Controller and use the new accounting system, when developed;
3. Identifying the steps and projected costs that would need to occur if the Legislature was to appropriate by a specific fund source, rather than the Cooperative Welfare Fund for a program or programs.

Unanimous Consent Request

Moved by Schmidt, granted by unanimous consent, the legislative intent language shown above was accepted.

Independent Councils

PRESENTER:
CARRIED:

Jared Tatro, Senior Budget & Policy Analyst

Original Motion

Moved by Stevenson, seconded by Schmidt, to approve for introduction \$118,500 General Funds, \$551,400 Dedicated Funds, \$4,124,800 Federal Funds for a total of \$4,794,700 with FTP of 9.00

Ayes: 19

Cameron, Keough, Mortimer, Vick, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Nuxoll

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

Licensing and Certification

PRESENTER: Jared Tatro, Senior Budget & Policy Analyst

CARRIED: Original Motion

Moved by Stevenson, seconded by Schmidt, to approve for introduction
\$1,558,200 General Funds, \$737,200 Dedicated Funds, \$3,538,000 Federal Funds
for a total of \$5,833,400 with FTP of 63.90

Ayes: 19

Cameron, Keough, Mortimer, Vick, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell,
Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Nuxoll

The majority having voted in the affirmative, the motion has passed and without
objection will carry a DO PASS recommendation. There being no objection, it
was so ordered by Chairman Cameron.

Public Health Services

PRESENTER: Jared Tatro, Senior Budget & Policy Analyst

CARRIED: Original Motion

Moved by Schmidt, seconded by Stevenson, to approve for introduction
\$6,771,200 General Funds, \$40,777,300 Dedicated Funds, \$59,952,300 Federal
Funds for a total of \$107,500,800 with FTP of 213.50

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt,
Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood,
Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without
objection will carry a DO PASS recommendation. There being no objection, it
was so ordered by Chairman Cameron.

**INTENT
LANGUAGE:**

Legislative Intent Language

LEGISLATIVE INTENT REGARDING TRICARE VACCINES. The Legislature continues to recognize the potential gap in coverage created by TRICARE's refusal to participate in the Idaho Immunization Program. The Legislature continues to support and encourage the executive branch in its efforts to negotiate a solution with TRICARE that does not rely on General Fund support. Further it is the intent of the Legislature that moneys appropriated to purchase TRICARE vaccinations are to be used solely for that purpose and any moneys not expended for TRICARE vaccines are to be reverted back to the General Fund at the close of the fiscal year or as soon thereafter as is practicable.

Moved by Schmidt, granted by unanimous consent, the legislative intent language shown above was accepted.

OFFICE OF THE GOVERNOR

Commission on Aging

**PRESENTER:
CARRIED:**

Jared Tatro, Senior Budget & Policy Analyst

Original Motion

Moved by Ringo, seconded by Lacey, to approve for introduction \$4,483,200 General Funds, \$0 Dedicated Funds, \$8,463,300 Federal Funds for a total of \$12,946,500 with FTP of 13.00

Ayes: 18

Cameron, Keough, Mortimer, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 2

Vick, Nuxoll

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

STATE TREASURER

Idaho Millennium Fund

**PRESENTER:
CARRIED:**

Jared Tatro, Senior Budget & Policy Analyst

Original Motion

Moved by Schmidt, seconded by King, to approve for introduction \$0 General Funds, \$7,843,900 Dedicated Funds, \$0 Federal Funds for a total of \$7,843,900 with FTP of 1.20 for the Department of Juvenile Corrections.

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

**INTENT
LANGUAGE:**

Legislative Intent Language

SECTION _____. Notwithstanding any other provision of law to the contrary, on June 30, 2015, or as soon thereafter as is practicable, any remaining unexpended and unencumbered balance of moneys appropriated in this act shall be reverted to the Idaho Millennium Income Fund.

Unanimous Consent Request

Moved by Schmidt, granted by unanimous consent, the legislative intent language shown above was accepted.

Legislative Intent Language

SECTION _____. Notwithstanding any other provision of law to the contrary, on June 30, 2015, or as soon thereafter as is practicable, the State Controller, at the request of the State Treasurer, shall transfer any remaining unexpended and unencumbered balance of moneys in the Idaho Millennium Income Fund to the Idaho Millennium Fund.

Unanimous Consent Request

Moved by Schmidt, granted by unanimous consent, the legislative intent language shown above was accepted.

SELF-GOVERNING AGENCIES

Idaho Commission for Libraries

PRESENTER:

Robyn Lockett, Senior Budget & Policy Analyst

Original Motion

CARRIED:

Moved by King, seconded by Eskridge, to approve for introduction \$3,510,700 General Funds, \$74,400 Dedicated Funds, \$1,571,200 Federal Funds for a total of \$5,156,300 with FTP of 39.50

Ayes: 18

Cameron, Keough, Mortimer, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 1

Nuxoll

Ab/Ex: 1

Vick

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

STATE CONTROLLER

PRESENTER: **Robyn Lockett, Senior Budget & Policy Analyst**

Original Motion

CARRIED: Moved by Thompson, seconded by Lacey, to approve for introduction \$6,884,100 General Funds, \$7,398,200 Dedicated Funds, \$0 Federal Funds for a total of \$14,282,300 with FTP of 94.00

Ayes: 19

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Thayn

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

**INTENT
LANGUAGE:**

Legislative Intent Language

SECTION _____. The moneys assessed by the Division of Financial Management in accordance with Section 67–3531, Idaho Code, for State Controller services shall be placed in the Indirect Cost Recovery Fund. On June 30, 2015, the State Controller shall transfer the amount assessed in the statewide cost allocation plan from the Indirect Cost Recovery Fund to the state General Fund.

SECTION _____. NON-GENERAL FUND REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the State Controller any unexpended and unencumbered balances appropriated or reappropriated to the State Controller for the Computer Service Center program for fiscal year 2014 to be used for nonrecurring expenditures in that program for the period of July 1, 2014, through June 30, 2015.

Unanimous Consent Request

Moved by Thompson, granted by unanimous consent, the legislative intent language shown above was accepted.

**FY 2014
SUPPLEMENTAL:**

DEPARTMENT OF ADMINISTRATION

Information Technology Program, (Idaho Education Network)

PRESENTER: Robyn Lockett, Senior Budget & Policy Analyst

REOPEN Unanimous Consent Request

BUDGET: Moved by Bell, granted by unanimous consent, the FY 2014 budget for the Department of Administration was reopened.

Original Motion

Moved by Bell, seconded by Keough, to approve for introduction \$6,600,000 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$6,600,000 with FTP of 0.00

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

**INTENT
LANGUAGE:**

Legislative Intent Language

It is the intent of the Legislature that the Idaho Department of Administration (the "Department") shall use the FY 2014 supplemental appropriation in the amount of \$6,600,000 to pay the outstanding funds due in FY 2014 to Education Networks of America, Inc./ENA Services, LLC ("ENA") from Universal Service Administrative Company ("USAC") for services rendered to the Department of Administration, but not paid for by USAC pursuant to RFP02160 and any purchase orders and amendments (the "IEN Contract").

Prior to disbursement of the funds from the General Fund to the Department, the Department and ENA shall amend the IEN Contract with the following provisions, at a minimum:

- (1) Disbursement of funds under this appropriation shall not constitute acknowledgement of any liability due and owing by the State of Idaho to ENA.
- (2) ENA shall immediately return to the Department any funds paid to ENA under this appropriation, if and when USAC pays ENA for any of the services ENA rendered to the Department pursuant to the IEN Contract.
- (3) Nothing in this amendment shall displace ENA's responsibility under Paragraph 9.13 or any other provision of the IEN Contract to directly bill and secure funding from USAC.

Upon completion of the contract amendment required under this section, and also upon the receipt of any funds paid back to the Department by ENA pursuant to (2) above, the Department shall immediately notify members of IPRAC. If

ENA returns any appropriated funds to the Department pursuant to (2) above, the Department shall immediately transfer such funds to the General Fund.

If the Department does not use the entire appropriation for the purposes stated herein in FY 2014, it shall return the unused funds to the General Fund on or before June 30, 2015.

Unanimous Consent Request

Moved by Bell, granted by unanimous consent, the legislative intent language shown above was accepted.

ADJOURNED: Chairman Cameron adjourned the meeting at 9:25 a.m.

Senator Cameron
Chair

Peggy Moyer
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Tuesday, February 25, 2014

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
LBB 1-117	State Board of Education Division of Vocational Rehabilitation	<i>Jared Hoskins</i> <i>Budget & Policy Analyst</i>
LBB 6-61	Office of the Governor Commission for the Blind & Visually Impaired	
LBB 1-45 LBB 1-89	State Board of Education Ag Research & Extension Service Professional-Technical Education	<i>Paul Headlee</i> <i>Deputy Division Manager</i>

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, February 25, 2014
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS: Senators Co-chairman Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey
Representative(s) Co-chairman Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King
EXCUSED: Senators Vick
CONVENED: Chairman Bell called the meeting to order at 7:58 a.m.

SETTING FY 2015 APPROPRIATIONS

STATE BOARD OF EDUCATION

Vocational Rehabilitation

PRESENTER: Jared Hoskins, Budget & Policy Analyst

CARRIED: **Original Motion**

Moved by **Thayn**, seconded by **Thompson**, to approve for introduction \$7,493,900 General Funds, \$2,042,200 Dedicated Funds, \$14,430,100 Federal Funds for a total of \$23,966,200 with FTP of 152.50

Ayes: 19

Cameron, Keough, Mortimer, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Vick

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

OFFICE OF THE GOVERNOR

Commission for the Blind and Visually Impaired

PRESENTER: Jared Hoskins, Budget and Policy Analyst

CARRIED: **Original Motion**

Moved by **Lacey**, seconded by **Stevenson**, to approve for introduction \$1,307,000 General Funds, \$325,900 Dedicated Funds, \$2,954,000 Federal Funds for a total of \$4,586,900 with FTP of 39.12

Ayes: 19

Cameron, Keough, Mortimer, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Vick

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

STATE BOARD OF EDUCATION
Agricultural Research and Extension Service

PRESENTER: Paul Headlee, Deputy Division Manager

CARRIED: **Original Motion**

Moved by **Mortimer**, seconded by **Johnson**, to approve for introduction \$26,453,700 General Funds, \$25,700 Dedicated Funds, for a total of \$26,479,400 with FTP of 285.24

Ayes: 19

Cameron, Keough, Mortimer, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Vick

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

Division of Professional-Technical Education

PRESENTER: Paul Headlee, Deputy Division Manager

Original Motion

Moved by **Gibbs**, seconded by **Youngblood**, to approve for introduction \$53,079,000 General Funds, \$1,110,800 Dedicated Funds, \$8,764,200 Federal Funds for a total of \$62,954,000 with FTP of 514.09. This motion includes carry-over authority of dedicated funds for the Division and provides exceptions to budget laws that will allow funds to be transferred between object codes for the post-Secondary Program only. Consistent with other higher education budgets, there is no FTP cap.

FAILED: **Substitute Motion**

Moved by **Mortimer**, seconded by **Thompson**, to approve for introduction \$53,219,600 General Funds, \$1,110,800 Dedicated Funds, \$8,764,200 Federal Funds for a total of \$63,094,600 with FTP of 514.09. This motion includes carry-over authority of dedicated funds for the Division and provides exceptions to budget laws that will allow funds to be transferred between object codes for the Post-Secondary Program only. Consistent with other higher education budgets, there is no FTP cap.

Ayes: 9

Cameron, Keough, Mortimer, Nuxoll, Johnson, Bayer, Thayn, Thompson, Miller

Nays: 9

Schmidt, Lacey, Bell, Bolz, Gibbs, Stevenson, Youngblood, Ringo, King

Ab/Ex: 2

Vick, Eskridge

**ORIGINAL
MOTION
CARRIED:**

Vote on Original Motion

Ayes: 16

Cameron, Keough, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 2

Mortimer, Thompson

Ab/Ex: 2

Vick, Eskridge

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

**UNANIMOUS
CONSENT:**

On request by **Gibbs** granted by unanimous consent, to include the Legislative Intent Language to the Division of Professional-Technical Education as shown below.

Legislative Intent Language

It is the intent of the Legislature that within General Programs, ongoing funding provided in this act be used to increase the secondary schools added-cost unit values for the Agricultural Science and Technology Programs and the Agriculture Science/Mechanics programs from \$10,260 to \$15,000 and to increase the secondary schools added-cost unit values by 5% for all other secondary programs.

ADJOURN:

There being no further business to come before the Committee, Chairman Bell adjourned the meeting at 8:41 a.m.

Representative Bell
Chair

Kathryn Yost
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Wednesday, February 26, 2014

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
	Office of the Governor	<i>Cathy Holland Smith</i>
LBB 6-83	Executive Office of the Governor	<i>Division Manager</i>
LBB 6-79	Division of Financial Management	
	Legislative Branch	
LBB 6-119	Legislature	
LBB 6-123	Legislative Services Office	
LBB 6-127	Office of Performance Evaluations	
LBB 3-61	Department of Juvenile Corrections	<i>Richard Burns</i>
		<i>Principal Budget & Policy Analyst</i>
	Idaho State Police	
LBB 3-79	Brand Inspection	
LBB 3-83	ISP Division	
LBB 3-93	POST Academy	
LBB 3-97	Racing Commission	

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, February 26, 2014
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators: Co-chairman Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey
Representatives: Co-chairman Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King
ABSENT/EXCUSED: None
STAFF PRESENT: Holland-Smith, Burns
CONVENED: Chairman Cameron convened the meeting at 8:00 a.m.

BUDGET SETTING: **SETTING FY 2015 APPROPRIATIONS**

OFFICE OF THE GOVERNOR
Executive Office of the Governor

PRESENTER: **Cathy Holland-Smith, Division Manager, Budget & Policy Analysis**

CARRIED: **Original Motion**
Moved by Keough, seconded by Thompson, to approve for introduction \$2,007,700 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$2,007,700 with FTP of 22.00. Includes thre authority to transfer funds between programs and objects notwithstanding the provisions of Section 67-3511(1), (2), and (3), Idaho Code.

Ayes: 19

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Miller

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

Division of Financial Management

Original Motion

Moved by Thompson, seconded by Keough, to approve for introduction \$1,627,200 General Funds, \$42,100 Dedicated Funds, \$0 Federal Funds for a total of \$1,669,300 with FTP of 16.00

Ayes: 19

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Miller

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

LEGISLATIVE BRANCH

Legislature

PRESENTER: Cathy Holland-Smith, Division Manager, Budget & Policy Analysis

Original Motion

Moved by Keough, seconded by Thompson, to approve for introduction \$1,000,000 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$1,000,000. Transfer from the General Fund to the Constitutional Defense Fund.

Ayes: 17

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Youngblood

Nays: 2

Ringo, King

Ab/Ex: 1

Miller

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

CARRIED:

Original Motion

Moved by Keough, seconded by Thompson, to approve the following language: on July 1, 2014, the President Pro Tempore of the Senate and the Speaker of the House of Representatives shall direct the State Controller to limit the amount transferred from the General Fund to the Legislative Fund pursuant to Section 67-415(2) Idaho Code, to \$6,452,000 for the period July 1, 2014, through June 30, 2015.

Ayes: 19

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Miller

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

Legislative Services Office

CARRIED:

Original Motion

Moved by Thompson, seconded by Keough, to approve for introduction \$4,507,800 General Funds, \$2,410,000 Dedicated Funds, \$0 Federal Funds for a total of \$6,917,800 with FTP of 64.00. The motion does not cap FTP, includes the authority to transfer funds between objects without the permission from the Executive Branch through the Division of Financial Management (lump sum), and carryover authority for the Professional Services Fund.

Ayes: 19

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Miller

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

Office of Performance Evaluations

CARRIED:

Original Motion

Moved by Ringo, seconded by Thayn, to approve for introduction \$785,200 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$785,200 with FTP of 8.00. This motion does not cap FTP, and includes the authority to transfer funds between objects without the permission from the Executive Branch through the Division of Financial Management (lump sum), and carryover authority for the Professional Services Fund.

Ayes: 18

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Ringo, King

Nays: 0

Ab/Ex: 2

Miller, Youngblood

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

DEPARTMENT OF JUVENILE CORRECTIONS

PRESENTER:

Richard Burns, Principal Budget & Policy Analyst

MOTIONS:

Original Motion

Moved by Bolz, seconded by Lacey, to approve for introduction \$39,027,400 General Funds, \$7,709,800 Dedicated Funds, \$3,849,800 Federal Funds for a total of \$50,587,000 with FTP of 404.00

FAILED:

Substitute Motion

Moved by Nuxoll, seconded by Thayn, to approve for introduction \$39,027,400 General Funds, \$7,709,800 Dedicated Funds, \$3,849,800 Federal Funds for a total of \$50,587,000 with FTP of 404.00. (Ongoing CEC)

Ayes: 5

Mortimer, Vick, Nuxoll, Bayer, Thayn

Nays: 12

Cameron, Keough, Johnson, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, King

Ab/Ex: 3

Miller, Youngblood, Ringo

CARRIED:

Vote on Original Motion

Ayes: 17

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, King

Nays: 0

Ab/Ex: 3

Miller, Youngblood, Ringo

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

IDAHO STATE POLICE

Brand Inspection

PRESENTER:

Original Motion

CARRIED:

Moved by Gibbs, seconded by Lacey, to approve for introduction \$0 General Funds, \$2,707,000 Dedicated Funds, \$0 Federal Funds for a total of \$2,707,000 with FTP of 34.82

Ayes: 17

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, King

Nays: 0

Ab/Ex: 3

Miller, Youngblood, Ringo

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

Division of Idaho State Police

CARRIED:

Original Motion

Moved by Bolz, seconded by Gibbs, to approve for introduction \$23,799,900 General Funds, \$28,735,400 Dedicated Funds, \$7,850,100 Federal Funds for a total of \$60,385,400 with FTP of 483.25

Ayes: 18

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Youngblood, King

Nays: 0

Ab/Ex: 2

Miller, Ringo

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Chairman.

POST Academy

CARRIED:

Original Motion

Moved by Bolz, seconded by Youngblood, to approve for introduction \$0 General Funds, \$4,258,700 Dedicated Funds, \$256,700 Federal Funds for a total of \$4,515,400 with FTP of 27.00

Ayes: 9

Cameron, Johnson, Schmidt, Lacey, Bolz, Thompson, Gibbs, Youngblood, King

Nays: 8

Keough, Mortimer, Vick, Nuxoll, Bayer, Thayn, Eskridge, Stevenson

Ab/Ex: 3

Bell, Miller, Ringo

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Chairman.

FY 2014

SUPPLEMENTAL:

IDAHO STATE POLICE

POST Academy

PRESENTER:

Richard Burns, Principal Budget & Policy Analyst

Unanimous Consent Request

Moved by Bolz, granted by unanimous consent, to reopen the FY 2014 Idaho State Police budget for the purpose of adding language to the appropriation bill.

**INTENT
LANGUAGE:**

Legislative Intent Language

GRANTING LEGISLATIVE AUTHORIZATION AND APPROVAL TO PURCHASE PROPERTY. Of the appropriation contained in Section __ of this act for the Peace Officers Standards and Training Academy, \$552,400 is included in the Peace Officers Training Fund to purchase, through lawful means, the adjoining lots north of the Idaho State Police Meridian complex for future growth and expansion. Therefor, notwithstanding the provisions of Section 67-2901(12)(f), the director of the Idaho State Police, on behalf of the Peace Officers Standards and Training Academy, is hereby authorized and granted legislative approval to enter into such agreements as may be reasonable and necessary to secure said property within the limits of this appropriation.

PEACE OFFICERS TRAINING FUND REAPPROPRIATION. There is hereby reappropriated to the Idaho State Police for the Peace Officers Standards and Training Academy, any unexpended and unencumbered balance of moneys that were appropriated from the Peace Officers Training Fund in fiscal year 2014 to purchase adjoining lots on the north side of the Idaho State Police Meridian complex, to be used for said purpose for the period July 1, 2014, through June 30, 2015, should that become necessary.

Unanimous Consent Request

Moved by Bolz, granted by unanimous consent, the legislative intent language shown above was accepted.

**FY 2015 BUDGET
SETTING:**

**IDAHO STATE POLICE
Racing Commission**

CARRIED:

Original Motion

Moved by Lacey, seconded by Youngblood, to approve for introduction \$0 General Funds, \$738,600 Dedicated Funds, \$0 Federal Funds for a total of \$738,600 with FTP of 3.00

Ayes: 15

Cameron, Keough, Vick, Nuxoll, Johnson, Bayer, Schmidt, Lacey, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Youngblood, King

Nays: 2

Mortimer, Thayn

Ab/Ex: 3

Bell, Miller, Ringo

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

ADJOURNED: Chairman Cameron adjourned the meeting at 9:10 a.m.

Senator Cameron
Chair

Peggy Moyer
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Thursday, February 27, 2014

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
LBB 5-101	Self-Governing Agencies Regulatory Boards	<i>Keith Bybee</i> <i>Principal Budget & Policy Analyst</i>
LBB 6-91	Office of the Governor State Liquor Division	
LBB 5-41	Department of Insurance	
LBB 5-47	Department of Labor	
LBB 4-35	Department of Lands	<i>Ray Houston</i> <i>Principal Budget & Policy Analyst</i>
LBB 4-61	Department of Water Resources	
LBB 4-45	Department of Parks and Recreation	

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, February 27, 2014
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS: Senators Co-chairman Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey
Representative(s) Co-chairman Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

**ABSENT/
EXCUSED:** None

CONVENED: Chairman Bell convened the meeting at 8:00 a.m.

SETTING FY 2015 APPROPRIATIONS

SELF-GOVERNING AGENCIES

Regulatory Boards

PRESENTER: Keith Bybee, Principal Budget and Policy Analyst

CARRIED: **Original Motion**
Moved by **Stevenson**, seconded by **Thompson**, to approve for introduction \$6,640,900 Dedicated Funds with FTP of 64.00 for FY 2015.

Ayes: 18

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Ringo, King

Nays: 0

Ab/Ex: 2

Bayer, Youngblood

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

OFFICE OF THE GOVERNOR

State Liquor Division

PRESENTER: Keith Bybee, Principal Budget and Policy Analyst

CARRIED: **Original Motion**
Moved by **Eskridge**, seconded by **Ringo**, to approve for introduction for \$17,680,700 from dedicated funds, cap FTP at 205 for FY 2015.

Ayes: 17

Cameron, Keough, Mortimer, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Ringo, King

Nays: 2

Vick, Nuxoll

Ab/Ex: 1

Youngblood

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

DEPARTMENT OF INSURANCE

PRESENTER: Keith Bybee, Principal Budget and Policy Analyst

Disclosure of Possible Conflict of Interest

Pursuant to Senate Rule 39(H), Senator **Cameron** disclosed he has a possible conflict of interest under applicable law; he does plan to vote on the issue currently before the Committee.

CARRIED: **Original Motion**

Moved by **Thompson**, seconded by **Lacey**, to approve for introduction \$0 General Funds, \$8,171,900 Dedicated Funds, \$650,600 Federal Funds for a total of \$8,822,500 with FTP of 73.50 for FY 2015.

Ayes: 16

Cameron, Keough, Mortimer, Johnson, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Stevenson, Miller, Youngblood, Ringo, King

Nays: 3

Vick, Nuxoll, Bayer

Ab/Ex: 1

Gibbs

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

DEPARTMENT OF LABOR

PRESENTER: Keith Bybee, Principle Budget and Policy Analyst

CARRIED: **Original Motion**

Moved by **Thompson**, seconded by **Lacey**, to approve for introduction \$313,500 General Funds, \$13,316,000 Dedicated Funds, \$2,686,500 Federal Funds for a total of \$16,316,000 with FTP of 45.01 for FT 2015

Ayes: 18

Cameron, Keough, Mortimer, Vick, Nuxoll, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Stevenson, Miller, Youngblood, Ringo, King

Nays: 1

Johnson

Ab/Ex: 1

Gibbs

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

DEPARTMENT OF LANDS

PRESENTER: Ray Houston, Principal Budget and Policy Analyst

CARRIED:

Original Motion

Moved by **Keough**, seconded by **Eskridge**, to approve for introduction \$5,274,200 General Funds, \$35,714,300 Dedicated Funds, \$6,265,800 Federal Funds for a total of \$47,254,300 with FTP of 264.47 for FY 2015. The motion is lump sum for the forest and range fire protection program only.

Ayes: 19

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Gibbs

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

DEPARTMENT OF WATER RESOURCES

PRESENTER: Ray Houston, Principal Budget and Policy Analyst

CARRIED:

Original Motion

Moved by **Lacey**, seconded by **Miller**, to approve for introduction \$11,827,400 General Funds, \$6,203,800 Dedicated Funds, \$3,636,000 Federal Funds for a total of \$21,667,200 with FTP of 152.00 for FY 2015.

Ayes: 19

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Gibbs

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

DEPARTMENT OF PARKS AND RECREATION

PRESENTER: Ray Houston, Principal Budget and Policy Analyst

CARRIED:

Original Motion

Moved by **Eskridge**, seconded by **Gibbs**, to approve for introduction \$3,213,800 General Funds, \$25,548,000 Dedicated Funds, \$4,929,400 Federal Funds for a total of \$33,691,200 with FTP of 144.25 for FY 2015.

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

UNANIMOUS CONSENT: On request by **Eskridge** granted by unanimous consent, to include the Legislative Intent Language to the Department of Parks and Recreation as shown below.

Legislative Intent Language

SECTION 3. EXEMPTIONS FROM PROGRAM TRANSFER LIMITATIONS.

Notwithstanding Section 67–35–11 (1) and (2), Idaho Code, trustee and benefit payments appropriated for grants in the Management Services Program may be transferred to capital outlay in the Capital Development Program or to capital outlay in the Parks Operations Program to reflect grants awarded to the Department of Parks and Recreation for the period July 1, 2014 through June 30, 2015. Legislative appropriations shall not be transferred from one fund to another unless expressly approved by the Legislature.

SECTION 4. REAPPROPRIATION. There is hereby reappropriated to the Department of Parks and Recreation any unexpended and unencumbered balances appropriated or reappropriated to the Department of Parks and Recreation for the Capital Development Program for fiscal year 2014 to be used for nonrecurring expenditures in that program for the period July 1, 2014 through June 30, 2015.

ADJOURN: There being no further business to come before the Committee, Chairman Bell adjourned the meeting at 9:14 a.m.

Representative Bell
Chair

Kathryn Yost
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Friday, February 28, 2014

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
	Department of Health & Welfare	<i>Jared Tatro</i>
LBB 2-43	Mental Health Services	<i>Senior Budget & Policy Analyst</i>
LBB 2-47	Psychiatric Hospitalization	
LBB 2-67	Substance Abuse Treatment & Prevention	
LBB 2-13	Child Welfare	
LBB 2-19	Services for Developmentally Disabled	
LBB 5-119	Idaho Transportation Department	<i>Robyn Lockett</i>
		<i>Senior Budget & Policy Analyst</i>
LBB 5-73	Idaho State Historical Society	

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, February 28, 2014
TIME: 8:04 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators: Co-chairman Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey
Representatives: Co-chairman Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King
ABSENT/EXCUSED: None
STAFF PRESENT: Tatro, Lockett
CONVENED: Chairman Cameron convened the meeting at 8:04 a.m.

BUDGET SETTING: **SETTING FY 2015 APPROPRIATIONS**

DEPARTMENT OF HEALTH AND WELFARE
Mental Health Services

PRESENTER: **Jared Tatro, Senior Budget & Policy Analyst**
DISCLOSURE OF CONFLICT: **Disclosure of Possible Conflict of Interest**
Pursuant to Senate Rule 39(H), Senator Nuxoll disclosed that she has a possible conflict of interest under applicable law; she does plan to vote on the issues currently before the Committee.

CARRIED: **Original Motion**
Moved by Stevenson, seconded by Schmidt, to approve for introduction \$23,598,600 General Funds, \$1,205,400 Dedicated Funds, \$8,319,800 Federal Funds for a total of \$33,123,800 with FTP of 283.98

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without

objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

**INTENT
LANGUAGE:**

Legislative Intent Language

LIMITING TRANSFER OF LEGISLATIVE APPROPRIATIONS. Notwithstanding the provisions of Section 67-3511, Idaho Code, Cooperative Welfare (General) Fund moneys appropriated to the Adult Mental Health Program and Children's Mental Health Program shall not be transferred to any other program outside of Mental Health Services without legislative approval.

LEGISLATIVE INTENT. It is the finding of the Legislature that the Department of Health and Welfare is responsible for the educational needs of school-age children placed in their custody by the courts for either child protective or for mental health issues. If the Department of Health and Welfare places a child in a licensed residential treatment facility that includes a non-public accredited school, and it is determined by the Department of Health and Welfare that it is in the best interests of the child to be educated at the residential treatment facility, then it is the responsibility of the Department of Health and Welfare to pay for such education at the current rate of \$71.05 per student per educational day. This intent language does not preclude other Idaho state agencies from exercising their responsibility to ensure a free and appropriate education for these students within the requirements of federal disability law. The fiscal impact of this language is approximately \$690,000 from existing appropriations.

INTERAGENCY PAYMENT FOR JUVENILE DETENTION CLINICIANS CONTRACT. The Children's Mental Health Program shall, no later than July 16, 2014, make an interagency payment of \$327,000 from the Cooperative Welfare (General) Fund to the Department of Juvenile Corrections to be used for the purchase of contract clinician services with juvenile detention facilities in Idaho, for the period July 1, 2014, through June 30, 2015.

COURT SERVICES FUND TRANSFERS. As appropriated, the State Controller shall make transfers of the Court Services Fund to the Cooperative Welfare Fund periodically, as requested by the director of the Department of Health and Welfare and approved by the Board of Examiners.

Unanimous Consent Request

Moved by Stevenson, granted by unanimous consent, the legislative intent language shown above was accepted.

Psychiatric Hospitalization

CARRIED:

Original Motion

Moved by Nuxoll, seconded by King, to approve for introduction \$19,320,100 General Funds, \$8,333,700 Dedicated Funds, \$4,696,400 Federal Funds for a total of \$32,350,200 with FTP of 367.45

Ayes: 18

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, King

Nays: 0

Ab/Ex: 2

Thayn, Ringo

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

Substance Abuse Treatment & Prevention

CARRIED:

Original Motion

Moved by Schmidt, seconded by Stevenson, to approve for introduction \$2,542,300 General Funds, \$1,184,600 Dedicated Funds, \$12,459,400 Federal Funds for a total of \$16,186,300 with FTP of 14.72

Ayes: 18

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, King

Nays: 0

Ab/Ex: 2

Thayn, Ringo

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Chairman.

Child Welfare

CARRIED:

Original Motion

Moved by Stevenson, seconded by Schmidt, to approve for introduction \$18,924,300 General Funds, \$1,047,500 Dedicated Funds, \$40,085,300 Federal Funds for a total of \$60,057,100 with FTP of 388.75. (\$1,434,100 from federal funds is one-time.)

Ayes: 18

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, King

Nays: 0

Ab/Ex: 2

Thayn, Ringo

The majority having voted in the affirmative, the motion has passed and without

objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

**INTENT
LANGUAGE:**

Legislative Intent Language

It is the finding of the Legislature that the Department of Health and Welfare is responsible for the educational needs of school-age children placed in their custody by the courts for either child protective or for mental health issues. If the Department of Health and Welfare places a child in a licensed residential treatment facility that includes a nonpublic accredited school, and it is determined by the Department of Health and Welfare that it is in the best interests of the child to be educated at the residential treatment facility, then it is the responsibility of the Department of Health and Welfare to pay for such education at the current rate of \$71.05 per student per educational day. This intent language does not preclude other Idaho state agencies from exercising their responsibility to ensure a free and appropriate education for these students within the requirements of federal disability law. The fiscal impact of this language is approximately \$690,000 from existing appropriations.

Unanimous Consent Request

Moved by Stevenson, granted by unanimous consent, the legislative intent language shown above was accepted.

Services for the Developmentally Disabled

Original Motion

Moved by King, seconded by Stevenson, to approve for introduction \$12,325,200 General Funds, \$3,570,800 Dedicated Funds, \$16,145,200 Federal Funds for a total of \$32,041,200 with FTP of 353.71

Ayes: 18

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, King

Nays: 0

Ab/Ex: 2

Thayn, Ringo

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

**IDAHO TRANSPORTATION DEPARTMENT
Transportation Services**

PRESENTER: Robyn Lockett, Senior Budget & Policy Analyst

CARRIED: **Original Motion**
Moved by Keough, seconded by Eskridge, to approve for introduction \$0 General Funds, \$29,922,900 Dedicated Funds, \$14,608,500 Federal Funds for a total of \$44,531,400 with FTP of 213.00

Ayes: 18

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, King

Nays: 0

Ab/Ex: 2

Thayn, Ringo

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

Motor Vehicles

CARRIED: **Original Motion**
Moved by Lacey, seconded by Youngblood, to approve for introduction \$0 General Funds, \$32,742,300 Dedicated Funds, \$2,600,000 Federal Funds for a total of \$35,342,300 with FTP of 234.00

Ayes: 19

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Thayn

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Chairman.

Highway Operations

CARRIED:

Original Motion

Moved by Youngblood, seconded by Eskridge, to approve for introduction \$0 General Funds, \$157,235,200 Dedicated Funds, \$16,426,200 Federal Funds for a total of \$173,661,400 with FTP of 1,277.00

Ayes: 19

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Thayn

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

Contract Construction and Right-of-Way Acquisition

CARRIED:

Original Motion

Moved by Eskridge, seconded by Lacey, to approve for introduction \$0 General Funds, \$37,785,400 Dedicated Funds, \$226,121,800 Federal Funds for a total of \$263,907,200 with FTP of 0.00

Ayes: 19

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Thayn

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

**INTENT
LANGUAGE:**

Department-wide Legislative Intent Language

LEGISLATIVE INTENT - CONTINUOUSLY APPROPRIATED MONEYS. It is legislative intent that all moneys transferred to the Local Bridge Inspection Fund and to the Railroad Grade Crossing Protection Fund, as provided in Section 63-2412, Idaho Code, are hereby continuously appropriated to the Idaho Transportation Department for the stated purposes of those funds.

LEGISLATIVE INTENT - TOURISM AND PROMOTION FUND. There is hereby appropriated and the State Controller is directed to transfer \$25,000 from the State Highway Fund to the Tourism and Promotion Fund in the Department of Commerce during fiscal year 2015. This transfer will provide the matching fund support of the Gateway Visitor Centers.

REAPPROPRIATION AUTHORITY FOR THE CONTRACT CONSTRUCTION AND RIGHT-OF-WAY ACQUISITION DIVISION. There is hereby reappropriated to the Idaho Transportation Department any unexpended and unencumbered balance of money categorized as the State Highway Fund for the Contract Construction and Right-of-Way Acquisition program as appropriated or reappropriated for fiscal year 2014, to be used for nonrecurring expenditures, for the period July 1, 2014 through June 30, 2015.

REAPPROPRIATION AUTHORITY FOR AIRPORT DEVELOPMENT GRANTS. There is hereby reappropriated to the Idaho Transportation Department any unexpended and unencumbered balance of money categorized as the State Aeronautics Fund as appropriated or reappropriated for trustee and benefits payments to be used for Airport Development Grants for fiscal year 2014, to be used for nonrecurring expenditures, for the period July 1, 2014 through June 30, 2015.

REAPPROPRIATION AUTHORITY FOR AMERICAN RECOVERY AND REINVESTMENT ACT FUNDING. There is hereby reappropriated to the Idaho Transportation Department any unexpended and unencumbered balance of money categorized as Title XII of the American Recovery and Reinvestment Act as appropriated or reappropriated for fiscal year 2014, to be used for nonrecurring expenditures, according to all the requirements of the federal act for the period July 1, 2014 through June 30, 2015.

BOND PAYMENT AUTHORIZATION. The federal GARVEE bond payment for fiscal year 2015 is approximately \$54,000,000. The Idaho Transportation Board is hereby authorized to transfer up to \$4,900,000 from within the State Highway Account to the GARVEE Debt Service Fund to pay the state match as required for federal funds committed to pay the annual scheduled debt service for fiscal year 2015.

Unanimous Consent Request

Moved by Eskridge, granted by unanimous consent, the legislative intent language shown above was accepted.

IDAHO STATE HISTORICAL SOCIETY

PRESENTER: Robyn Lockett, Senior Budget & Policy Analyst

CARRIED: **Original Motion**
Moved by Ringo, seconded by King, to approve for introduction \$2,589,100 General Funds, \$1,550,900 Dedicated Funds, \$1,495,600 Federal Funds for a total of \$5,635,600 with FTP of 49.02

Ayes: 19

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Thayn

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

**INTENT
LANGUAGE:**

ADJOURNED: Chairman Cameron adjourned the meeting at 9:35 a.m.

Senator Cameron
Chair

Peggy Moyer
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Monday, March 03, 2014

	DESCRIPTION	PRESENTER
	Public School Support	<i>Paul Headlee</i>
LBB 1-13	Administrators	<i>Deputy Division Manager</i>
LBB 1-17	Teachers	
LBB 1-21	Operations	
LBB 1-27	Children's Programs	
LBB 1-33	Facilities	
LBB 1-37	Educational Svcs for the Deaf & Blind	
NA	Centralized Services	
	Self-Governing Agencies	<i>Jared Hoskins</i>
LBB 5-69	Commission on Hispanic Affairs	<i>Budget & Policy Analyst</i>
	State Board of Education	
LBB 1-97	Idaho Public Television	
LBB 6-157	State Treasurer	

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Monday, March 03, 2014

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS: Senators Co-chairman Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey

Representative(s) Co-chairman Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

**ABSENT/
EXCUSED:** None

CONVENED: Chairman Bell called the meeting to order at 8:04 a.m.

SETTING FY 2015 APPROPRIATIONS

STATE BOARD OF EDUCATION

Public School Support

PRESENTER: Paul Headlee, Deputy Division Manager, Budget and Policy Analysis

ADMINISTRATION

Original Motion

Moved by **Mortimer**, seconded by **Thompson**, to approve for introduction \$79,719,300 General Funds, with FTP of 0.00

FAILED: **Substitute Motion**

Moved by **Ringo**, seconded by **King**, to approve for introduction \$80,111,900 General Funds, with FTP of 0.00

Ayes: 2

Ringo, King

Nays: 17

Cameron, Keough, Mortimer, Vick, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood

Ab/Ex: 1

Nuxoll

CARRIED: **Vote on the Original Motion for a total of \$79,719,300**

Ayes: 17

Cameron, Keough, Mortimer, Vick, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood

Nays: 2

Ringo, King

Ab/Ex: 1

Nuxoll

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

**UNANIMOUS
CONSENT:**

On request by **Mortimer**, granted by unanimous consent, the legislative intent language Section 4 as shown below, was accepted and will be incorporated in the Administration appropriation bill.

**INTENT
LANGUAGE:**

Legislative Intent Language

SECTION 4. That Section 33-1004E, Idaho Code, be, and the same is hereby amended to read as follows:

33-1004E. District's salary-based apportionment . [effective JULY 1, 2013] Each district shall be entitled to a salary-based apportionment calculated as provided in this section.

1. To determine the apportionment for instructional staff, first determine the district average experience and education index by placing all eligible district certificated instructional employees on the statewide index provided in section 33-1004A, Idaho Code. The resulting average is the district index. Districts with an index above the state average index shall receive their actual index but not more than the state average plus .03 for the 1994-95 school year, and shall receive their actual index but not more than the state average plus .06 for the 1995-96 school year, and thereafter shall receive their actual district index. The district instructional staff index shall be multiplied by the instructional base salary of \$23,123. The amount so determined shall be multiplied by the district staff allowance for instructional staff determined as provided in section 33-1004(2), Idaho Code. The instructional salary allocation shall be further increased by the amount necessary for each full-time equivalent instructional staff member placed on the experience and education index to be allocated at least the minimum salary mandated by this section. Full-time instructional staff salaries shall be determined from a salary schedule developed by each district and submitted to the state department of education. No full-time instructional staff member shall be paid less than \$31,000. If an instructional staff member has been certified by the national board for professional teaching standards, the staff member shall be designated as a master teacher and receive \$2,000 per year for five (5) years. The instructional salary shall be increased by \$2,000 for each master teacher provided however, that no such awards shall be paid for the period July 1, 2010, through June 30, 2011, nor shall any liabilities accrue or payments be made pursuant to this section in the future to any individuals who would have otherwise qualified for a payment during this stated time period. The resulting amount is the district's salary-based apportionment for instructional staff. For purposes of this section, teachers qualifying for the salary increase as master teacher shall be those who have been recognized as national board certified teachers as of July 1 of each year.

2. To determine the apportionment for district administrative staff, first determine the district average experience and education index by placing all eligible certificated administrative employees on the statewide index provided in section 33-1004A, Idaho Code. The resulting average is the district index. Districts with an index above the state average index shall receive their actual index but not more than the state average plus .03 for the school year 1994-95, and shall receive their actual index but not more than the state average index plus .06 for the 1995-96 school year, and thereafter shall receive their actual district index. The district administrative staff index shall be multiplied by the base salary of \$32.51. The amount so determined shall be multiplied by the district staff allowance for administrative staff determined as provided in section 33-1004(3), Idaho Code. The resulting amount is the district's salary-based apportionment for administrative staff.

3. To determine the apportionment for classified staff, multiply \$19,058 by the district classified staff allowance determined as provided in section 33-1004(4),

Idaho Code. The amount so determined is the district's apportionment
4. The district's salary-based apportionment shall be the sum of the apportionments calculated in subsections 1., 2. and 3., of this section, plus the benefit apportionment as provided in section 33-1004F, Idaho Code.

TEACHERS

Original Motion

Moved by **Lacey**, seconded by **Mortimer**, to approve for introduction \$755,110,500 General Funds, \$15,000,000 Federal Funds for a total of \$770,110,500 with FTP of 0.00

FAILED:

Substitute Motion

Moved by **Ringo**, seconded by **King**, to approve for introduction \$756,224,500 General Funds, \$15,000,000 Federal Funds for a total of \$771,224,500 with FTP of 0.00

Ayes: 4

Johnson, Schmidt, Ringo, King

Nays: 16

Cameron, Keough, Mortimer, Vick, Nuxoll, Bayer, Thayn, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood

Ab/Ex: 0

CARRIED:

Original Motion for a total of \$770,110,500

Ayes: 15

Cameron, Keough, Mortimer, Johnson, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood

Nays: 5

Vick, Nuxoll, Bayer, Ringo, King

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

**UNANIMOUS
CONSENT:**

On request by **Lacey**, granted by unanimous consent, the legislative intent language as shown below, was accepted and will be incorporated in the Teachers appropriation bill.

**INTENT
LANGUAGE:**

Legislative Intent Language

SECTION 4. That Section 33-1004E, Idaho Code, be, and the same is hereby amended to read as follows:

33-1004E. District's salary-based apportionment.[effective JULY 1, 2013] Each district shall be entitled to a salary-based apportionment calculated as provided in this section.

1. To determine the apportionment for instructional staff, first determine the district average experience and education index by placing all eligible district certificated instructional employees on the statewide index provided in section 33-1004A, Idaho Code. The resulting average is the district index. Districts with an index above the state average index shall receive their actual index but not more than the state average plus .03 for the 1994-95 school year, and shall receive their actual index but not more than the state average plus .06 for the 1995-96 school year, and thereafter shall receive their actual district index. The district instructional staff index shall be multiplied by the instructional base salary of \$23,354. The amount so

determined shall be multiplied by the district staff allowance for instructional staff determined as provided in section 33-1004(2), Idaho Code. The instructional salary allocation shall be further increased by the amount necessary for each full-time equivalent instructional staff member placed on the experience and education index to be allocated at least the minimum salary mandated by this section. Full-time instructional staff salaries shall be determined from a salary schedule developed by each district and submitted to the state department of education. No full-time instructional staff member shall be paid less than \$31,750. If an instructional staff member has been certified by the national board for professional teaching standards, the staff member shall be designated as a master teacher and receive \$2,000 per year for five (5) years. The instructional salary shall be increased by \$2,000 for each master teacher provided however, that no such awards shall be paid for the period July 1, 2010, through June 30, 2011, nor shall any liabilities accrue or payments be made pursuant to this section in the future to any individuals who would have otherwise qualified for a payment during this stated time period. The resulting amount is the district's salary-based apportionment for instructional staff. For purposes of this section, teachers qualifying for the salary increase as master teacher shall be those who have been recognized as national board certified teachers as of July 1 of each year.

2. To determine the apportionment for district administrative staff, first determine the district average experience and education index by placing all eligible certificated administrative employees on the statewide index provided in section 33-1004A, Idaho Code. The resulting average is the district index. Districts with an index above the state average index shall receive their actual index but not more than the state average plus .03 for the school year 1994-95, and shall receive their actual index but not more than the state average index plus .06 for the 1995-96 school year, and thereafter shall receive their actual district index. The district administrative staff index shall be multiplied by the base salary of \$32,151. The amount so determined shall be multiplied by the district staff allowance for administrative staff determined as provided in section 33-1004(3), Idaho Code. The resulting amount is the district's salary-based apportionment for administrative staff.

3. To determine the apportionment for classified staff, multiply \$19,058 by the district classified staff allowance determined as provided in section 33-1004(4), Idaho Code. The amount so determined is the district's apportionment for classified staff. 4. The district's salary-based apportionment shall be the sum of the apportionments calculated in subsections 1., 2. and 3., of this section, plus the benefit apportionment as provided in section 33-1004F, Idaho Code.

SECTION 5. Of the moneys appropriated in Section 3 of this act, \$9,455,000 shall be distributed for professional development, training, and assistance that promotes the following: (1) The implementation of Idaho core mathematical and English language arts standards including, but not limited to, the alignment of curriculum and instruction to such standards. (2) The identification of gifted and talented students, enables educators to gain gifted education certification in Idaho, and enables school districts to meet the requirements of Section 33-2003, Idaho Code. (3) The ability of classroom teachers to provide career or academic counseling for students, with such services incorporated within or provided in addition to the teacher's regular classroom instructional duties.

SECTION 6. For the purposes of this act, the term "distributed" describes moneys that are transferred to school districts and public charter schools, with no funds withheld for any other contract or administrative costs.

OPERATIONS

CARRIED:

Original Motion

Moved by **Thayn**, seconded by **Thompson**, to approve for introduction \$484,741,000 General Funds, \$50,208,100 Dedicated Funds, for a total of \$534,949,100 with FTP of 0.00

Ayes: 19

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, King

Nays: 1

Ringo

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

UNANIMOUS CONSENT:

On request by **Thayn**, granted by unanimous consent, the legislative intent language, was accepted and will be incorporated in the Operations appropriation bill.

INTENT LANGUAGE:

Legislative Intent Language

SECTION 4. That Section 33-1004E, Idaho Code, be, and the same is hereby amended to read as follows::

33-1004E. District's salary-based apportionment.[effective JULY 1, 2013] Each district shall be entitled to a salary-based apportionment calculated as provided in this section.

1. To determine the apportionment for instructional staff, first determine the district average experience and education index by placing all eligible district certificated instructional employees on the statewide index provided in section 33-1004A, Idaho Code. The resulting average is the district index. Districts with an index above the state average index shall receive their actual index but not more than the state average plus .03 for the 1994-95 school year, and shall receive their actual index but not more than the state average plus .06 for the 1995-96 school year, and thereafter shall receive their actual district index. The district instructional staff index shall be multiplied by the instructional base salary of \$23,354. The amount so determined shall be multiplied by the district staff allowance for instructional staff determined as provided in section 33-1004(2), Idaho Code. The instructional salary allocation shall be further increased by the amount necessary for each full-time equivalent instructional staff member placed on the experience and education index to be allocated at least the minimum salary mandated by this section. Full-time instructional staff salaries shall be determined from a salary schedule developed by each district and submitted to the state department of education. No full-time instructional staff member shall be paid less than \$31,000. If an instructional staff member has been certified by the national board for professional teaching standards, the staff member shall be designated as a master teacher and receive \$2,000 per year for five (5) years. The instructional salary shall be increased by \$2,000 for each master teacher provided however, that no such awards shall be paid for the period July 1, 2010, through June 30, 2011, nor shall any liabilities accrue or payments

be made pursuant to this section in the future to any individuals who would have otherwise qualified for a payment during this stated time period. The resulting amount is the district's salary-based apportionment for instructional staff. For purposes of this section, teachers qualifying for the salary increase as master teacher shall be those who have been recognized as national board certified teachers as of July 1 of each year.

2. To determine the apportionment for district administrative staff, first determine the district average experience and education index by placing all eligible certificated administrative employees on the statewide index provided in section 33-1004A, Idaho Code. The resulting average is the district index. Districts with an index above the state average index shall receive their actual index but not more than the state average plus .03 for the school year 1994-95, and shall receive their actual index but not more than the state average index plus .06 for the 1995-96 school year, and thereafter shall receive their actual district index. The district administrative staff index shall be multiplied by the base salary of \$31,833. The amount so determined shall be multiplied by the district staff allowance for administrative staff determined as provided in section 33-1004(3), Idaho Code. The resulting amount is the district's salary-based apportionment for administrative staff.

3. To determine the apportionment for classified staff, multiply \$19,249 by the district classified staff allowance determined as provided in section 33-1004(4), Idaho Code. The amount so determined is the district's apportionment for classified staff.

4. The district's salary-based apportionment shall be the sum of the apportionments calculated in subsections 1., 2. and 3., of this section, plus the benefit apportionment as provided in section 33-1004F, Idaho Code.

SECTION 5. Notwithstanding the provisions of any law to the contrary, of the moneys appropriated in Section 5 of this act, up to \$2,165,700 from funds determined by available tobacco, cigarette and lottery income tax revenues accruing, appropriated, or distributed to the Public School Income Fund pursuant to Sections 63-2506, 63-2552A, 63-3035A and 63-3067, Idaho Code, for the period July 1, 2014, through June 30, 2015, shall be distributed as discretionary funds within the Public Schools Educational Support Program/Division of Operations, and school districts and charter schools are hereby relieved of any restrictions on the use of such funds, apart from restrictions that apply to the use of discretionary funds.

SECTION 6. Notwithstanding the provisions of Sections 33-905 and 33-1019, Idaho Code, for the period July 1, 2014, through June 30, 2015, thirty-three percent of all moneys appropriated from the School District Building Account shall be distributed as discretionary funds within the Public Schools Educational Support Program/Division of Operations and school districts and charter schools are hereby relieved of any restrictions on the use of such funds, apart from restrictions that apply to the use of discretionary funds.

SECTION 7. Pursuant to the provisions of Section 33-1018, Idaho Code, for the period July 1, 2014, through June 30, 2015, it is estimated that the appropriation of state funds to the Public Schools Educational Support Program/Division of Operations will result in total discretionary funds of \$22,401.15 per support unit.

SECTION 8. Of the moneys appropriated in Section 3 of this act, \$2,500,000 shall be distributed for public school information technology staff costs. Such moneys shall be distributed pursuant to a formula, with a minimum distribution per school district and public charter school, determined by the superintendent of public instruction.

SECTION 9. Of the moneys appropriated in Sections 3 of this act, \$8,000,000 shall be distributed for classroom technology that assists teachers and students in effective

and efficient instruction or learning.

SECTION 10. Of the moneys appropriated in Sections 3 of this act, \$3,000,000 of one-time funding shall be made available to public schools and public charter schools in multiple school districts for grants of one (1) to two (2) years in duration for technology pilot projects designed to improve student academic growth. Funds shall be distributed based upon a competitive grant process prescribed by the superintendent of public instruction. The amount of funds allocated to a public school or public charter school shall not be based upon average daily attendance or other enrollment-driven metrics. Grant applications shall include, but not be limited to, historical growth measures and expected increases through implementation of this technology. In the spirit of experimentation, an evaluation rubric shall be developed by the superintendent, which prioritizes potentially scalable innovations over other technologies. The committee seated to evaluate the grants shall be appointed from a cross section of the state both geographically and demographically. The grantees shall be required to report annually to the state department of education on the uses of funds received and the student growth results from those uses. The superintendent shall report to the legislature on the results of these efforts by December 31, 2015.

SECTION 11. It is the intent of the Legislative that the State Department of Education shall compile information concerning school district and charter school expenditures of funds pursuant to the safe school environment and student learning provisions of Section 33-1002(2)(l), Idaho Code, for fiscal year 2015 and post such information on the department's website no later than December 31, 2015.

SECTION 12. For the purposes of this appropriation, the term "distributed" describes moneys that are transferred to school districts and public charter schools, with no funds withheld for any other contract or administrative costs.

SECTION 13. For the period July 1, 2014, through June 30, 2015, the State Department of Education is hereby granted the authority to transfer appropriations between the Administrators, Teachers, Operations, Children's Programs, and Facilities Divisions of the Public Schools Educational Support Program budget, in any amount necessary, to comply with the public school funding provisions of Appropriations and the Idaho Code.

CHILDREN'S PROGRAMS

CARRIED:

Original Motion

Moved by **Stevenson**, seconded by **Gibbs**, to approve for introduction \$23,860,600 General Funds, \$6,444,300 Dedicated Funds, \$200,000,000 Federal Funds for a total of \$230,304,900 with FTP of 0.00

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

**UNANIMOUS
CONSENT:**

On request by **Stevenson**, granted by unanimous consent, the legislative intent language as shown below was accepted and will be incorporated in the appropriation bill for Children's Programs.

**INTENT
LANGUAGE:**

Legislative Intent Language

SECTION 4. The Idaho Digital Learning Academy (IDLA), created pursuant to Chapter 55, Title 33, Idaho Code, shall utilize state appropriated funds for the period July 1, 2014, through June 30, 2015, to achieve the following:

- (1) Tuition charged by IDLA to Idaho school districts and charter schools shall not exceed \$75 per enrollment.
- (2) Provide remedial coursework for students failing to achieve proficiency in one (1) or more areas of Idaho's standards-based tests.
- (3) Pursuant to the fiscal impact statement for the State Board of Education rule, IDAPA 08.02.03, Docket Number 08-0203-0605, provide advanced learning opportunities for students.
- (4) Pursuant to State Board of Education rule, IDAPA 08.02.03, Docket Number 08-0203-0605, work with institutions of higher education to provide dual credit coursework. The preceding list shall not be construed as excluding other instruction and training that may be provided by the Idaho Digital Learning Academy.

SECTION 5. Notwithstanding the provisions of any law to the contrary, of the moneys appropriated in Section 3 of this act, up to \$2,165,700 from funds determined by available tobacco, cigarette and lottery income tax revenues accruing, appropriated, or distributed to the Public School Income Fund pursuant to Sections 63-2506, 63-2552A, 63-3035A and 63-3067, Idaho Code, for the period July 1, 2014, through June 30, 2015, shall be distributed to school districts and charter schools through a combination of a base amount of \$2,000 plus a prorated amount based on the prior year's average daily attendance. Such funds shall be used to develop and implement school safety improvements and/or to facilitate and provide substance abuse prevention programs in the public school system. Additionally, \$200,000 shall be remitted to the Idaho State Police to increase toxicology lab capacity in the Bureau of Forensic Services for drug testing pursuant to Section 63-2552A, Idaho Code, and \$78,600 shall be remitted to the Commission on Hispanic Affairs on or before July 15, 2014, to be used for substance abuse prevention efforts in collaboration with the State Department of Education.

SECTION 6. Of the moneys appropriated in Sections 3 of this act, \$6,440,000 shall be distributed for literacy programs, as outlined in Sections 33-1207A(2), 33-1614 and 33-1615, Idaho Code; remedial coursework for students failing to achieve proficiency on Idaho's standards-based achievement tests; and computerized remediation services for schools in dollar amounts determined by the superintendent of public instruction. The superintendent shall report to the Joint Finance-Appropriations Committee and the Senate and House Education committees, by no later than February 1, 2016, on the uses of funds and effectiveness of the programs and efforts.

SECTION 7. Pursuant to Section 33-1617, Idaho Code, of the moneys appropriated in Section 3 of this act, \$3,950,000 shall be distributed for support of programs for students with non-English or limited English proficiency, as follows:

- (1) The State Department of Education shall distribute \$3,500,000 to school districts pro rata, based upon the population of limited English proficient students under criteria established by the department.
- (2) The State Department of Education shall distribute \$450,000 for the competitive grant program to be distributed to school districts in which the population of English language learners failed to meet Adequate Yearly Progress (AYP) in math or reading, as defined in federal law. This amount shall be distributed annually to school districts in three (3) year grant cycles, in which the recipients will receive full grant awards each of the three (3) years, contingent on appropriation.
- (3) The department shall develop the program elements governing the use of these

funds, modeled on the training, intervention and remediation elements of the literacy programs referenced in Section 6 of this act. The purpose of these funds is to improve the English language skills of English language learners, and to enable such students to better access the educational opportunities offered in public schools. The Superintendent of Public Instruction shall report to the Joint Finance-Appropriations Committee and the Senate and House Education committees by no later than February 1, 2016, on the program design, uses of funds, and effectiveness of the program.

SECTION 8. It is legislative intent that the State Department of Education shall compile information concerning the numbers of students enrolling in advanced opportunities courses according to the provisions of Sections 33-1623, 33-1626, and 33-1628, Idaho Code, whether coursework is successfully completed, and expenditures for fiscal year 2015. As nearly as possible, the report shall contain information about enrollment of this student population in post-high school education. A report containing such information shall be posted on the website of the State Department of Education no later than December 31, 2015.

SECTION 9. Of the moneys appropriated in Section 3 of this act, \$4,000,000 of one-time moneys shall be distributed to school districts and charter schools, based on average daily attendance, for the purchase of instructional content and curriculum, whether physical or electronic.

SECTION 10. For the purposes of this appropriation, the term "distributed" describes moneys that are transferred to school districts and public charter schools, with no funds withheld for any other contract or administrative costs.

FACILITIES

CARRIED:

Original Motion

Moved by **Youngblood**, seconded by **Thompson**, to approve for introduction \$7,153,600 General Funds, \$28,832,400 Dedicated Funds, \$0 Federal Funds for a total of \$35,986,000 with FTP of 0.00

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

UNANIMOUS CONSENT:

On request by **Youngblood**, granted by unanimous consent, the legislative intent language shown below was accepted and will be incorporated in the appropriation bill for Facilities.

INTENT LANGUAGE:

Legislative Intent Language

SECTION 4. Notwithstanding the provisions of Sections 33-1018B and 33-1019, Idaho Code, for the period July 1, 2014, through June 30, 2015, only, the state is hereby temporarily relieved from the requirement to provide thirty-three percent of its portion of the school maintenance matching funds normally required by such sections, nor shall school districts be required to make up such portion that would otherwise be provided by the state.

EDUCATION SERVICES FOR THE DEAF AND BLIND

CARRIED:

Original Motion

Moved by **Miller**, seconded by **Youngblood**, to approve for introduction \$8,299,900 General Funds, \$237,600 Dedicated Funds, \$223,500 Federal Funds for a total of \$8,761,000 with FTP of 0.00

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

CENTRAL SERVICES

CARRIED:

Original Motion

Moved by **Thompson**, seconded by **Mortimer**, to approve for introduction \$15,713,500 General Funds, \$1,090,000 Dedicated Funds, for a total of \$16,803,500 with FTP of 0.00

Ayes: 18

Cameron, Keough, Mortimer, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 2

Vick, Nuxoll

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

**UNANIMOUS
CONSENT:**

On request by **Thompson**, granted by unanimous consent, the legislative intent language for Central Services, Sections 1 ,2 ,3 ,4 ,5 ,6 ,7, 8, 10, 11, and 12 was accepted and will be incorporated in the appropriation bill.

**INTENT
LANGUAGE:**

Legislative Intent Language

SECTION 4. Of the moneys appropriated in Section 3 of this act, \$4,060,000 may be expended for the support of literacy programs, as outlined in Sections 33-1207A(2), 33-1614 and 33-1615, Idaho Code; intervention services for non-Title I schools that fail to achieve proficiency on Idaho's standards-based achievement tests; and math initiative programs. Of this amount, up to \$3,781,000 may be expended for operating costs and up to \$279,000 may be used for personnel costs. The superintendent of public instruction shall report to the Joint Finance-Appropriations Committee and the Senate and House Education committees, by no later than February 1, 2016, on the uses of funds and effectiveness of the programs and efforts.

SECTION 5. Of the moneys appropriated in Section 3 of this act, \$90,000 from funds determined by available revenues accruing, appropriated, or distributed to the Public School Income Fund pursuant to Sections 63-2506, 63-2552A, 63-3035A and 63-3067, Idaho Code, notwithstanding, for the period July 1, 2014, through June 30, 2015, may be expended by the superintendent of public instruction for Safe and

Drug-Free Schools Program administration, technical assistance, and evaluation.

SECTION 6. Pursuant to Section 33-1617, Idaho Code, of the moneys appropriated in Section 3 of this act, up to \$50,000 may be expended by the superintendent of public instruction for evaluation and administration of the programs for students with non-English or limited English proficiency.

SECTION 7. Of the moneys appropriated in Section 3 of this act, the superintendent of public instruction may expend up to \$1,703,500 for the development or administration of student assessments, including a college entrance exam for 11th grade students, an exam for 10th grade students that provides preparation for the college entrance exam, and end-of-course examinations for high school science subjects.

SECTION 8. Of the moneys appropriated in Section 3 of this act, the superintendent of public instruction may expend up to \$300,000 for professional development and training that promotes the effective and consistent evaluation of teacher and administrator performance, pursuant to standards established by the State Board of Education.

SECTION 9. Of the moneys appropriated in Sections 3 of this act, \$2,400,000 shall be expended or distributed as follows: (1) up to \$2,250,000 of one-time moneys may be expended by the superintendent of public instruction for the installation, repair, replacement and support of a wireless technology infrastructure, in each public school serving high school grades, of sufficient capacity to support utilization of mobile computing devices by all students in such grades. Provided, however, that any school district or public charter school serving such grades that did not submit an approved application to receive wireless technology infrastructure pursuant to the statewide contract in FY 2014 may choose to receive a distribution from these moneys of \$21.00 per student enrolled at such schools, in such grades, in lieu of receiving wireless technology infrastructure provided pursuant to statewide contract. In order to qualify for the receipt of such funds, the receiving school district or public charter school shall demonstrate that it has a wireless technology infrastructure that meets or exceeds the requirements stated in request for proposal upon which the statewide contract is based. (2) up to \$150,000 may be expended by the superintendent of public instruction for the development and maintenance of an internet-based portal of available online, nonsectarian K-12 or dual credit courses available from any of the following: (a) Idaho digital learning academy; (b) Idaho public school districts; (c) Idaho public charter schools; (d) Idaho public colleges and universities; (e) Idaho private colleges and universities accredited by the same organization that accredits Idaho's public colleges and universities; and (f) Any provider of online courses; provided however, that the courses available on the portal have been verified and approved by the state department of education to meet state content standards. Of the amounts allocated pursuant to subsections (1) and (2) of this section, no more than \$190,000 may be utilized by the superintendent of public instruction for technology staff support costs. The dollars allocated for subsections (2) and (3) of this section may be reallocated between said subsections by the superintendent of public instruction, subject to a ten percent (10%) maximum cumulative change in the allocated amounts.

SECTION 10. Of the moneys appropriated in Section 3 of this act, the superintendent of public instruction may expend up to \$2,700,000 for professional development, training, and assistance that promotes the implementation of Idaho core mathematical and English language arts standards including, but not limited to, the alignment of curriculum and instruction to such standards.

SECTION 11. Of the funds appropriated in Section 3 of this act, an amount not to exceed \$1,000,000 of one-time moneys may be expended by the superintendent

of public instruction to contract for services that provide technology education opportunities and/or information technology certifications to high school students, including faculty, that prepare students for college, career, or the workplace. Funding shall be awarded based on a request for proposal process administered by the Department of Administration that includes three or more of the following components: (1) certification of skills and competencies (2) professional development for teachers (3) integration with curriculum standards (4) online access to research-based content and curriculum (5) instructional software for classroom use The Superintendent shall provide a progress report to the Idaho Legislature's Joint Finance-Appropriation Committee, Senate Education Committee, and House Education Committee by January 1, 2015, and a final report by January 1, 2016.

SECTION 12. For the purposes of this appropriation, the term "distributed" describes moneys that are transferred to school districts and public charter schools, with no funds withheld for any other contract or administrative costs. For the purposes of this section, the term "expended" describes moneys that pay for the cost of contracts that provide services to school districts, public charter schools or students, or pay for the state department of education's cost of administering the programs for which the moneys are allocated.

SECTION 13. For the period July 1, 2014, through June 30, 2015, the State Department of Education is hereby granted the authority to transfer appropriations between the Administrators, Teachers, Operations, Children's Programs, and Facilities Divisions of the Public Schools Educational Support Program budget, in any amount necessary, to comply with the public school funding provisions of Appropriations and the Idaho Code.

**UNANIMOUS
CONSENT:**

On request by **Thompson**, granted by unanimous consent, to hold Sections 9 and 13 for three legislative days.

SELF GOVERNING AGENCIES
Commission on Hispanic Affairs

PRESENTER:

Jared Hoskins, Budget and Policy Analyst,

Original Motion

Moved by **Johnson**, seconded by **Ringo**, to approve for introduction \$116,900 General Funds, \$100,900 Dedicated Funds, \$41,500 Federal Funds for a total of \$259,300 with FTP of 3.00

FAILED:

Substitute Motion

Moved by **Thayn**, seconded by **Vick**, to approve for introduction \$105,600 General Funds, \$100,900 Dedicated Funds, \$41,500 Federal Funds for a total of \$248,000 with FTP of 3.00

Ayes: 9

Mortimer, Vick, Nuxoll, Bayer, Thayn, Eskridge, Thompson, Stevenson, Miller

Nays: 11

Cameron, Keough, Johnson, Schmidt, Lacey, Bell, Bolz, Gibbs, Youngblood, Ringo, King

Ab/Ex: 0

Vote on Original Motion for a total of \$259,300

CARRIED:

Ayes: 15

Cameron, Keough, Johnson, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 5

Mortimer, Vick, Nuxoll, Bayer, Thayn

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

STATE BOARD OF EDUCATION

Idaho Public Television

PRESENTER: Jared Hoskins, Budget and Policy Analyst

Original Motion

Moved by **Ringo**, seconded by **Lacey**, to approve for introduction \$2,200,700 General Funds, \$5,844,300 Dedicated Funds, \$23,000 Federal Funds for a total of \$8,068,000 with FTP of 60.00

FAILED:

Substitute Motion

Moved by **Johnson**, seconded by **Mortimer**, to approve for introduction \$2,480,700 General Funds, \$5,944,300 Dedicated Funds, \$23,000 Federal Funds for a total of \$8,448,000 with FTP of 60.00

Ayes: 6

Cameron, Keough, Mortimer, Johnson, Bayer, Schmidt

Nays: 14

Vick, Nuxoll, Thayn, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Ab/Ex: 0

CARRIED:

Vote on Original Motion, total \$8,068,000

Ayes: 15

Cameron, Keough, Bayer, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 5

Mortimer, Vick, Nuxoll, Johnson, Thayn

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

STATE TREASURER

CARRIED:

Original Motion

Moved by **Youngblood**, seconded by **Bolz**, to approve for introduction \$1,382,800 General Funds, \$2,183,800 Dedicated Funds, for a total of \$3,566,600 with FTP of 26.00

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

**UNANIMOUS
CONSENT:**

On request by **Youngblood**, granted by unanimous consent, the legislative intent language as shown below was accepted and will be included in the appropriation bill.

**INTENT
LANGUAGE:**

Legislative Intent Language

SECTION __. STATE TREASURER LGIP FUND REAPPROPRIATION
AUTHORITY.

There is hereby reappropriated to the State Treasurer any unexpended and unencumbered balances of moneys in the State Treasurer Local Government Investment Pool Fund as appropriated for fiscal year 2014, to be used for nonrecurring expenditures for the period July 1, 2014 through June 30, 2015.

**UNANIMOUS
CONSENT:**

Youngblood requested unanimous consent to approve the legislative intent language as shown below. There was an **objection**.

CARRIED:

Original Motion

Moved by **Youngblood**, seconded by **Thompson**, to approve legislative intent language for investment activities as shown below.

Ayes: 13

Cameron, Keough, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Miller, Youngblood, Ringo, King

Nays: 7

Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Stevenson

Ab/Ex: 0

Original Motion

Moved by **Youngblood**, seconded by **Thompson** to incorporate the legislative Intent Language in the appropriation bill for the State treasurer.

INTENT

LANGUAGE:

Legislative Intent Language

SECTION ____ INVESTMENT ACTIVITIES.

Notwithstanding any other provision of state law, it is the intent of the Legislature that the state treasurer's policies governing the investment and management of idle funds and other funds accepted for investment pursuant Sections 67–1210 and 67–1210A, Idaho Code, shall conform with the Idaho uniform prudent investor act, chapter 5, title 68, Idaho Code. Other than the security lending agreements in place upon the effective date of this act, the state treasurer shall not invest state funds or any other funds in his hands by use of securities lending agreements and shall conduct an orderly program to terminate his use of securities lending. The state treasure shall strengthen internal processes to prevent the override of controls and to segregate investment activities and decision making to ensure the preservation of his fiduciary duty of undivided loyalty to both the state idle pool and the local government investment pool. This section shall not supersede any legislation regarding the state treasurer's investment activities that may subsequently become law.

**UNANIMOUS
CONSENT:**

Youngblood requested unanimous consent to approve the legislative intent language shown below. There was an **objection**.

CARRIED:

Original Motion

Moved by **Youngblood**, seconded by **King**, to approve legislative intent language as shown below for conference related activities, and be incorporated in the State Treasurer appropriation bill for FY 2015.

Ayes: 16

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood

Nays: 4

Schmidt, Lacey, Ringo, King

Ab/Ex: 0

INTENT

LANGUAGE:

Legislative Intent Language

SECTION 1 ____ CONFERENCE RELATED ACTIVITIES. It is the intent of the legislature that no more than \$10,000 from the General fund, as appropriated in section 1 of this act, shall be spent on various conference related activities, including sponsorships, in-kind donations, and information booths. No moneys appropriated in section 1 of this act from dedicated funds shall be used for conference related activities unless otherwise provided for in Idaho Code; provided, however, that in no event shall more than a total of \$10,000 from any fund source or combination thereof be used for said conference related activities.

ADJOURN:

There being no further business to come before the Committee, Chairman Bell adjourned the meeting at 10:27 a.m.

Representative Bell
Chair

Kathryn Yost
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Tuesday, March 04, 2014

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
LBB 6-137	Department of Revenue & Taxation Board of Tax Appeals	<i>Keith Bybee</i> <i>Principal Budget & Policy Analyst</i>
LBB 6-141	Idaho State Tax Commission	
LBB 5-19	Department of Commerce	
LBB 5-5	Department of Agriculture	<i>Ray Houston</i> <i>Principal Budget & Policy Analyst</i>
LBB 5-13	Soil & Water Conservation Commission	
LBB 4-3	Department of Environmental Quality	

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, March 04, 2014
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators: Co-chairman Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey
Representatives: Co-chairman Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King
ABSENT/EXCUSED: None
STAFF PRESENT: Bybee, Houston
CONVENED: Chairman Cameron convened the meeting at 8:01 a.m.

BUDGET SETTING: **SETTING FY 2015 APPROPRIATIONS**

DEPARTMENT OF REVENUE AND TAXATION
Board of Tax Appeals

PRESENTER: **Keith Bybee, Principal Budget & Policy Analyst**

CARRIED: **Original Motion**
Moved by Lacey, seconded by Ringo, to approve for introduction \$528,000 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$528,000 with FTP of 5.00

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

Idaho State Tax Commission

CARRIED:

Original Motion

Moved by Vick, seconded by Bolz, to approve for introduction \$30,955,500 General Funds, \$7,044,500 Dedicated Funds, \$8,000 Federal Funds for a total of \$38,008,000 with FTP of 447.00

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

DEPARTMENT OF COMMERCE

PRESENTER: Keith Bybee, Principal Budget & Policy Analyst

CARRIED:

Original Motion

Moved by Youngblood, seconded by Thompson, to approve for introduction \$5,890,000 General Funds, \$12,137,900 Dedicated Funds, \$16,389,000 Federal Funds for a total of \$34,416,900 with FTP of 49.00

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

DEPARTMENT OF AGRICULTURE

PRESENTER: Ray Houston, Principal Budget & Policy

CARRIED: Original Motion

Moved by Lacey, seconded by Miller, to approve for introduction \$7,791,200 General Funds, \$22,515,100 Dedicated Funds, \$5,769,900 Federal Funds for a total of \$36,076,200 with FTP of 190.05

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

Soil & Water Conservation Commission

Disclosure of Possible Conflict of Interest

DISCLOSURE: Pursuant to House Rule 38, a written statement was received from Representative Miller disclosing that he had a possible conflict of interest under applicable law.

Original Motion

CARRIED: Moved by Miller, seconded by Lacey, to approve for introduction \$2,531,000 General Funds, \$347,500 Dedicated Funds, \$0 Federal Funds for a total of \$2,878,500 with FTP of 16.00

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

**INTENT
LANGUAGE:**

Legislative Intent Language

Section 4. LEGISLATIVE INTENT. It is the intent of the legislature that \$50,000 of the amount appropriated in Section 1 of this act for trustee and benefit payments is to be distributed equally between the 50 soil and water conservation districts in addition to the amounts authorized under Section 22–2727, Idaho Code.

Unanimous Consent Request

Moved by Miller, granted by unanimous consent, the legislative intent language shown above was accepted.

DEPARTMENT OF ENVIRONMENTAL QUALITY

PRESENTER: Ray Houston, Principal Budget & Policy Analyst

CARRIED: **Original Motion**

Moved by Lacey, seconded by Ringo, to approve for introduction \$15,336,200 General Funds, \$11,321,500 Dedicated Funds, \$39,349,200 Federal Funds for a total of \$66,006,900 with FTP of 355.00

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

**INTENT
LANGUAGE:**

Legislative Intent Language

Section 4. LEGISLATIVE INTENT. It is legislative intent that moneys deposited into the Environmental Remediation Basin Fund are to be used for remediation of the Coeur d'Alene Basin in accordance with the superfund contract with the Environmental Protection Agency. The Department of Environmental Quality shall file an annual report each year with the Governor, the Legislature, and the Coeur d'Alene Basin Environmental Improvement Project Commission on the remediation progress and the expenditures involved.

Section 5. LEGISLATIVE INTENT. It is legislative intent that the appropriation of moneys from the Water Pollution Control Fund in this act specifically supersedes the provisions of Section 39–3630, Idaho Code.

Unanimous Consent Request

Moved by Lacey, granted by unanimous consent, the legislative intent language shown above was accepted.

ADJOURNED: Chairman Cameron adjourned the meeting at 8:59 a.m.

Senator Cameron
Chair

Peggy Moyer
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Wednesday, March 05, 2014

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
LBB 6-127	Office of Performance Evaluations <i>Technical Correction</i>	<i>Cathy Holland-Smith</i> <i>Division Manager</i>
LBB 6-157	State Treasurer's Office <i>Intent Language</i>	<i>Jared Hoskins</i> <i>Budget & Policy Analyst</i>
LBB 6-5	Department of Administration Department of Administration	<i>Robyn Lockett</i> <i>Senior Budget & Policy Analyst</i>
LBB 6-17	Capitol Commission	
LBB 6-21	Bond Payments	
LBB 6-25	Permanent Building Fund	
LBB 3-11	Department of Correction Management Services	<i>Richard Burns</i> <i>Principal Budget & Policy Analyst</i>
LBB 3-15	State Prisons	
LBB 3-21	Private Prisons	
LBB 3-25	County & Out-of-State Placements	
LBB 3-29	Correctional Alternatives Placement (CAPP)	
LBB 3-33	Community Corrections	
LBB 3-37	Education & Treatment	
LBB 3-41	Medical Services	
LBB 3-47	Commission for Pardons and Parole	
LBB 3-53	Judicial Branch	

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, March 05, 2014
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators Co-chairman Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey
Representative(s) Co-chairman Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

**ABSENT/
EXCUSED:** None

CONVENED: Chairman Bell convened the meeting at 8:04 a.m.

LEGISLATURE
Office of Performance Evaluations

PRESENTER: Cathy Holland-Smith, Division Manager, Budget and Policy Analyst

UNANIMOUS CONSENT: On request by **Schmidt**, granted by unanimous consent, to reopen the FY 2015 appropriation for the Office of Performance Evaluations to make a technical correction.

CARRIED: **Original Motion**
Moved by **Schmidt**, seconded by **Mortimer**, to approve for introduction \$100 from the General Fund.

Ayes: 19

Cameron, Keough, Mortimer, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Vick

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

STATE TREASURER

PRESENTER: **Jared Hoskins, Budget and Policy Analyst**

UNANIMOUS CONSENT: On request by **Youngblood**, granted by unanimous consent, to reopen the FY 2015 appropriation for the State Treasurer for the purpose of including standard legislative intent language regarding the payment of bank service fees.

UNANIMOUS CONSENT: On request by **Youngblood**, granted by unanimous consent, legislative intent language as shown below regarding the payment of bank service fees to be included in the appropriation bill for the State Treasurer.

Legislative Intent Language

SECTION—. PAYMENT OF BANK SERVICE FEES. Of the amount appropriated in Section 1 of this act, \$435,900 or so much thereof as is necessary, is to be used solely and only for the payment of bank service fees for the period July 1, 2014 through June 30, 2015.

SETTING FY 2015 APPROPRIATIONS

DEPARTMENT OF ADMINISTRATION

PRESENTER: **Robyn Lockett, Senior Budget and Policy Analyst,**
Department of Administration

CARRIED: **Original Motion**

Moved by **Youngblood**, seconded by **Bolz**, to approve for introduction \$5,233,800 General Funds, \$18,432,900 Dedicated Funds with FTP of 145.00

Ayes: 19

Cameron, Keough, Mortimer, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Vick

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

CARRIED: **Original Motion**

Moved by **Youngblood**, seconded by **Bolz**, to approve for introduction a cash transfer \$101,200 from General Funds. There is hereby appropriated to the Department of Administration and the State Controller shall transfer \$101,200 from the General Fund to Facilities Maintenance Fund, on July 1, 2014, or as soon thereafter as practicable, for the period July 1, 2014 through June 30, 2015.

AYES:

Cameron, Keough, Mortimer, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Vick

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

**UNANIMOUS
CONSENT:**

On request by **Youngblood**, granted by unanimous consent, the legislative intent language, shown below, be accepted and will be incorporated in the Department of Administration appropriation bill.

INTENT**LANGUAGE:****Legislative Intent Language**

LEGISLATIVE INTENT: It is the intent of the Legislature that the Director of the department shall notify the State Tax Commission when monthly cigarette tax distributions to the Permanent Building Fund have reached an amount adequate to make the final payment of the Capitol restoration project bonds. Fund analysis has determined that amount shall be approximately \$10,500,000.

LEGISLATIVE INTENT: It is the intent of the Legislature that the Department of Administration shall analyze their Information Technology Program-related expenses and billings to determine a billing methodology that shares costs between all users of the technology services and capital equipment purchases and maintenance. It is the recommendation of the Joint Finance-Appropriations Committee that the billing methodology be promulgated in agency rule and presented to the Legislature during the 2015 legislative session.

LEGISLATIVE INTENT: It is the intent of the Legislature that the Department conduct an internal analysis of its interagency and intra-agency billing procedures. The Department is directed to limit recovery of interagency costs into the Indirect Cost Recovery Fund to those same costs it bills other state agencies through interagency billing procedures. When a direct General Fund appropriation has been made to pay for personnel costs or for operating expenditures, the Department shall not recover those funds across programs in their indirect cost recovery process.

LEGISLATIVE INTENT: The Legislature recognizes that effective contract management is essential to ensuring that public funds are spent appropriately, as described in the Office of Performance Evaluations report on contract management released in January 2013. Therefore, it is the intent of the Legislature that the Department shall develop and incorporate a checklist for best practices into its contracting processes. The Department shall also develop a statewide contract monitoring system that outlines the entire contracting process so that contracts are properly developed, awarded, and monitored using a standardized, statewide framework. The implementation of these measures shall be reported to the Legislature during the 2015 legislative session.

LEGISLATIVE INTENT: It is the intent of the legislature that the Director of the Department of Administration shall notify the Legislature prior to any contract extensions or renewals. As part of the budget submission process, the Department of Administration shall submit a list of contracts due for renewal in the upcoming fiscal year that exceed \$1,000,000 on an annual basis. Further, the Director shall notify the Legislature (Leadership, the JFAC chairmen, and the germane committee chairmen) in writing, of any proposed early contract renewal or extension at least 90 days prior to signing the contract.

**UNANIMOUS
CONSENT:**

On request by **Thayn**, granted by unanimous consent, the legislative intent language as shown below, was accepted and will be incorporated in the Department of Administration appropriation bill.

**INTENT
LANGUAGE:**

The Legislature directs the Department of Administration to research the benefits of incentivizing state employees to enroll in a Health savings Account (HSA), used in conjunction with a state provided high-deductible insurance plan, and/or a Voluntary Employment Benefit Association (VEBA). The Department shall provide information about the financial and logistical implementation of these options to the Joint Financial-Appropriation Committee at the committee's interim tour in Fall 2014.

Capitol Commission

PRESENTER: **Robyn Lockett, Senior Budget and Policy Analyst**

CARRIED: **Original Motion**

Moved by **Bolz**, seconded by **Schmidt**, to approve for introduction \$3,072,000
Dedicated Funds with FTP of 0.00

Ayes: 19

Cameron, Keough, Mortimer, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell,
Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Vick

The majority having voted in the affirmative, the motion has passed and without
objection will carry a DO PASS recommendation. There being no objection, it was
so ordered by Chairman Bell.

Capitol Commission

CARRIED: **Original Motion**

Moved by **Bolz**, seconded by **Schmidt**, to approve a cash transfer of \$100,000
Dedicated Funds with FTP of 0.00

Ayes: 19

Cameron, Keough, Mortimer, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell,
Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Vick

The majority having voted in the affirmative, the motion has passed and without
objection will carry a DO PASS recommendation. There being no objection, it was
so ordered by Chairman Bell.

UNANIMOUS REQUEST: On request by **Bolz**, granted by unanimous consent, the legislative intent language
as shown below was accepted and will be incorporated in the Capitol Commission
appropriation bill.

**INTENT
LANGUAGE:**

Legislative Intent Language

REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the
department of Administration for the Idaho State Capitol Commission any
unexpended and unencumbered balances of moneys categorized as dedicated funds
as appropriated for fiscal year 2014, to be used for nonrecurring expenditures, for
the period July 1, 2014, through June 30, 2015.

Bond Payments

CARRIED:

Original Motion

Moved by **Bolz**, seconded by **Johnson**, to approve for introduction \$4,267,600 General Funds, \$20,352,400 Dedicated Funds, for a total of \$24,620,000 with FTP of 0.00

Ayes: 18

Cameron, Mortimer, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 2

Keough, Vick

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

Permanent Building Fund

CARRIED:

Original Motion

Moved by **Thompson**, seconded by **Schmidt**, to approve for introduction \$26,320,000 Dedicated Funds with FTP of 0.00

Ayes: 18

Cameron, Keough, Mortimer, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 2

Vick, Gibbs

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

**UNANIMOUS
CONSENT:**

On request by **Thompson**, granted by unanimous consent, the legislative intent language, as shown below, was accepted and will be incorporated in the appropriation bill for the Permanent Building Fund.

**INTENT
LANGUAGE:**

Legislative Intent Language

UTILIZATION OF MATCHING FUNDS. It is legislative intent that the moneys appropriated in this act may be made available for matching any allocation of moneys now in existence or hereafter made available by agencies of the United States and/or private donations; and it is further the express intention of the Legislature to authorize the Division of Public Works to expend, for the purpose of paying the cost of any land, building, equipment or the rebuilding, renovation or repair of buildings, moneys appropriated for public works to various agencies as part of the respective agency operating budgets; provided the express approval by the Permanent Building Fund Advisory Council is granted to make application for such moneys in each instance.

EXEMPTION OF APPROPRIATIONS FROM CERTAIN PROVISIONS. All appropriations made herein shall be exempt from the provisions of Chapter 36, Title 67, and Section 67-3516, Idaho Code, but shall be available for expenditure only after allotment in accordance with the other provisions of Chapter 35, Title 67, Idaho Code, and all appropriations made hereunder shall be subject to the provisions of Section 67-5711, Idaho Code, except as otherwise provided herein.

REALLOCATION OF PROJECT SAVINGS. It is the intent of the Legislature that the Division of Public Works have the flexibility to allocate any savings or unused appropriation from any capital, line-item project to any other requested and funded fiscal year 2015 capital projects. The reallocation of such appropriation must be approved by the Permanent Building Fund Advisory Council prior to the funds being spent.

DEPARTMENT OF CORRECTION

PRESENTER: Richard Burns, Principal Budget and Policy Analyst

Management Services

CARRIED: **Original Motion**

Moved by **Bolz**, seconded by **Youngblood**, to approve for introduction \$11,260,600 General Funds, \$835,000 Dedicated Funds, \$500,000 Federal Funds for a total of \$12,595,600 with FTP of 119.50

Ayes: 18

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 2

Thayn, Gibbs

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

State Prisons

Original Motion

Moved by **Bolz**, seconded by **Youngblood**, to approve for introduction \$92,857,300 General Funds, \$9,262,400 Dedicated Funds, \$150,400 Federal Funds for a total of \$102,270,100 with FTP of 1,066.50

FAILED: **Substitute Motion**

Moved by **Nuxoll**, seconded by **Thayn**, to approve for introduction \$92,857,300 General Funds, \$9,262,400 Dedicated Funds, \$150,400 Federal Funds for a total of \$102,270,100 with FTP of 1,066.50

Change in Employee Compensation ongoing

Ayes: 6

Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn

Nays: 13

Cameron, Keough, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Stevenson, Miller, Youngblood, Ringo, King

Ab/Ex: 1

Gibbs

CARRIED: **Vote on the Original Motion for \$102,270,100**

Ayes: 19

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Gibbs

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

UNANIMOUS CONSENT: On request by **Bolz**, granted by unanimous consent, the legislative intent language, as shown below, was accepted and will be incorporated in the Department of Correction for State Prisons.

INTENT LANGUAGE: **Legislative Intent Language for the Idaho Correctional Center**
EXEMPTION FROM OBJECT TRANSFER LIMITATIONS FOR FISCAL YEAR 2015.

To provide the Department of Correction maximum flexibility in converting the Idaho Correctional Center from a privately-operated to a publically-operated facility, the Idaho Correctional center is hereby exempted from the provisions of Section 67-3511 (1) and (3), Idaho Code, for all moneys appropriated to it for the period July 1, 2014, through June 30, 2015. Legislative appropriations shall not be transferred from one fund to another fund, unless expressly approved by the Legislature.

Private Prisons

CARRIED: **Original Motion**

Moved by **Bolz**, seconded by **Schmidt**, to approve for introduction \$2,445,500 General Funds with FTP of 0.00

Ayes: 19

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Gibbs

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

UNANIMOUS CONSENT: On request by **Bolz** granted by unanimous consent, the legislative intent language shown below, was accepted and will be incorporated in the Department of Correction for Private Prisons.

INTENT LANGUAGE: **Legislative Intent Language**
It is legislative intent that any unexpended balance of moneys, as appropriated to the Department of Correction for the privately-operated Idaho Correctional Center for fiscal year 2015, be returned to the General Fund once final payment has been made to cover the state's contractual obligation with Corrections Corporation of America.

County and Out-of-State Placement

CARRIED:

Original Motion

Moved by **Bolz**, seconded by **Youngblood**, to approve for introduction \$14,133,300 General Funds.

Ayes: 19

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Gibbs

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

Correctional Alternative Placement

CARRIED:

Original Motion

Moved by **Bolz**, seconded by **Youngblood**, to approve for introduction \$9,425,800 General Funds, \$200,000 Dedicated Funds, for a total of \$9,625,800 with FTP of 0.00

Ayes: 19

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Gibbs

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

Community Corrections

CARRIED:

Original Motion

Moved by **Bolz**, seconded by **Youngblood**, to approve for introduction \$16,921,100 General Funds, \$9,527,400 Dedicated Funds, \$60,100 Federal Funds for a total of \$26,508,600 with FTP of 370.35

Ayes: 18

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 2

Thayn, Gibbs

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

Education and Treatment

CARRIED:

Original Motion

Moved by **Nuxoll**, seconded by **Bolz**, to approve for introduction \$10,424,000 General Funds, \$425,300 Dedicated Funds, \$1,037,900 Federal Funds for a total of \$11,887,200 with FTP of 52.00

Ayes: 17

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Schmidt, Lacey, Bell, Bolz, Eskridge, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 3

Thayn, Thompson, Gibbs

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

Medical Services

CARRIED:

Original Motion

Moved by **Nuxoll**, seconded by **Bolz**, to approve for introduction \$40,747,000 General Funds, \$299,500 Dedicated Funds for a total of \$41,046,500 with FTP of 2.00

Ayes: 16

Cameron, Keough, Mortimer, Nuxoll, Johnson, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Stevenson, Miller, Youngblood, Ringo, King

Nays: 2

Vick, Bayer

Ab/Ex: 2

Thayn, Gibbs

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

Commission for Pardons and Parole

Original Motion

Moved by **Schmidt**, seconded by **Vick**, to approve for introduction \$0 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$0 with FTP of 0.00 zero funding

CARRIED:

Substitute Motion

Moved by **Bolz**, seconded by **Nuxoll**, to approve for introduction \$2,502,700 General Funds, \$70,700 Dedicated Funds for a total of \$2,573,400 with FTP of 32.00

Ayes: 17

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 2

Bayer, Schmidt

Ab/Ex: 1

Thayn

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

ADJOURN:

Chairman Bell adjourned the meeting at 10:06 a.m.

Representative Bell

Chair

Kathryn Yost

Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Thursday, March 06, 2014

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
LBB 3-53	Judicial Branch	<i>Richard Burns</i> <i>Principal Budget & Policy Analyst</i>
	State Board of Education	<i>Paul Headlee</i> <i>Deputy Division Manager</i>
LBB 1-53	College and Universities	
LBB 1-67	Community Colleges	
LBB 1-109	Superintendent of Public Instruction	
	Public School Support	
N/A	Division of Central Services: Intent Language Sections 9 and 13 <i>Held to Date Certain</i>	
	Department of Health and Welfare	<i>Jared Tatro</i> <i>Senior Budget & Policy Analyst</i>
LBB 2-79	Medically Indigent Administration	
LBB 2-63	Service Integration	
LBB 2-3	Catastrophic Health Care Program	

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, March 06, 2014
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators: Co-chairman Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayne, Schmidt, Lacey
Representatives: Co-chairman Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King
ABSENT/ EXCUSED: None
STAFF PRESENT: Burns, Headlee, Tatrow
CONVENED: Chairman Cameron convened the meeting at 8:07 a.m.

BUDGET SETTING: **SETTING FY 2015 APPROPRIATIONS**

JUDICIAL BRANCH

PRESENTER: **Richard Burns, Principal Budget & Policy Analyst**

MOTIONS: **Original Motion**
Moved by Bolz, seconded by Gibbs, to approve for introduction \$39,733,200 General Funds, \$18,070,700 Dedicated Funds, \$1,856,900 Federal Funds for a total of \$59,660,800 with FTP of 289.00. (Lump sum, no FTP cap)

Substitute Motion
Moved by Johnson, seconded by Nuxoll, to approve for introduction \$39,773,200 General Funds, \$18,070,700 Dedicated Funds, \$1,856,900 Federal Funds for a total of \$59,700,800 with FTP of 289.00. (Lump sum, no FTP cap)

FAILED: **Amended Substitute Motion**
Moved by King, seconded by Ringo, to approve for introduction \$39,833,200 General Funds, \$18,070,700 Dedicated Funds, \$1,856,900 Federal Funds for a total of \$59,760,800 with FTP of 289.00. (Lump sum, no FTP cap)

Ayes: 5

Keough, Schmidt, Lacey, Ringo, King

Nays: 15

Cameron, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood

Ab/Ex: 0

CARRIED: **Vote on Substitute Motion**
Ayes: 15

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Eskridge, Stevenson, Youngblood, Ringo, King

Nays: 5

Bell, Bolz, Thompson, Gibbs, Miller

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

STATE BOARD OF EDUCATION
College and Universities

PRESENTER: **Paul Headlee, Deputy Division Manager**

MOTIONS: **Original Motion**
Moved by Thompson, seconded by Mortimer, to approve for introduction \$251,223,200 General Funds, \$247,353,500 Dedicated Funds, \$0 Federal Funds for a total of \$498,576,700 with FTP of 4,127.82. (Carryover for non General Fund money)

FAILED: **Substitute Motion**
Moved by King, seconded by Ringo, to approve for introduction \$254,767,700 General Funds, \$247,353,500 Dedicated Funds, \$0 Federal Funds for a total of \$502,121,200 with FTP of 4,127.82. (Carryover for non-General Fund money)

Ayes: 2

Ringo, King

Nays: 17

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood

Ab/Ex: 1

Thayn

CARRIED: **Vote on Original Motion**

Ayes: 18

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo

Nays: 1

King

Ab/Ex: 1

Thayn

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

**INTENT
LANGUAGE:**

Legislative Intent Language

SECTION 4. LEGISLATIVE INTENT. It is the intent of the Legislature that of the amount appropriated from the General Fund in Section 1, Subsection V. of this Act, the following amounts may be used as follows:

(1) An amount not to exceed \$140,000 may be used by the Office of the State Board of Education for systemwide needs;

(2) An amount of approximately \$1,435,500 may be used for the mission and goals of the Higher Education Research Council as outlined in State Board of Education policy III.W., which includes awards for infrastructure, matching grants, and competitive grants through the Idaho Incubation Fund program; and

(3) An amount not to exceed \$863,300 may be used by the State Board of Education for instructional projects designed to foster innovative learning approaches using technology, to promote accountability and information transfer throughout the higher education system including longitudinal student-level data and program/course transferability, and to promote the Idaho Electronic Campus.

SECTION 5. LEGISLATIVE INTENT. It is the intent of the Legislature that of the amount appropriated from the General Fund in Section 1, Subsection V. of this Act, \$2,759,700 ongoing for Complete College Idaho 60% goal and \$4,085,800, one-time shall be allocated by the state board of education for either personnel, operating, or one-time capital outlay costs.

Unanimous Consent Request

Moved by Thompson, granted by unanimous consent, the legislative intent language shown above was accepted.

Community Colleges

MOTIONS:

Original Motion

Moved by Mortimer, seconded by Thompson, to approve for introduction \$32,978,500 General Funds, \$600,000 Dedicated Funds, \$0 Federal Funds for a total of \$33,578,500 with FTP of 0.00

FAILED:

Substitute Motion

Moved by King, seconded by Ringo, to approve for introduction \$32,884,500 General Funds, \$600,000 Dedicated Funds, \$0 Federal Funds for a total of \$33,484,500 with FTP of 0.00

Ayes: 5

Vick, Schmidt, Lacey, Ringo, King

Nays: 14

Cameron, Keough, Mortimer, Nuxoll, Johnson, Bayer, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood

Ab/Ex: 1

Thayn

CARRIED:

Vote on Original Motion

Ayes: 19

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Thayn

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

INTENT LANGUAGE:

Legislative Intent Language

SECTION 2. LEGISLATIVE INTENT. It is the intent of the Legislature that of the amount appropriated from the General Fund in Section 1, Subsections I.- .III of this Act, an amount not to exceed \$70,000 may be expended by the Office of the State Board of Education for systemwide needs including, but not limited to, projects to promote accountability and information transfer throughout the higher education system.

Unanimous Consent Request

Moved by Mortimer, granted by unanimous consent, the legislative intent language shown above was accepted.

Superintendent of Public Instruction

Original Motion

Moved by Thompson, seconded by Mortimer, to approve for introduction \$8,523,200 General Funds, \$8,513,800 Dedicated Funds, \$17,266,700 Federal Funds for a total of \$34,303,700 with FTP of 141.00

Ayes: 19

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Thayn

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

**HELD
TO DATE
CERTAIN:**

**PUBLIC SCHOOL SUPPORT
Division of Central Services
(Intent Language for Sections 9 and 13)**

**INTENT
LANGUAGE:**

Legislative Intent Language — Section 9

SECTION 9. Of the moneys appropriated in Sections 3 of this act, \$2,400,000 shall be expended or distributed as follows:

(1) up to \$2,250,000 of one-time moneys may be expended by the superintendent of public instruction for the installation, repair, replacement and support of a wireless technology infrastructure, in each public school serving high school grades, of sufficient capacity to support utilization of mobile computing devices by all students in such grades. Provided, however, that any school district or public charter school serving such grades that did not submit an approved application to receive wireless technology infrastructure pursuant to the statewide contract in FY 2014 may choose to receive a distribution from these moneys of \$21.00 per student enrolled at such schools, in such grades, in lieu of receiving wireless technology infrastructure provided pursuant to statewide contract. Additionally, any school district or public charter school approved for services under the statewide Wi-Fi contract may choose, during the remaining time period of state fiscal year 2014, to withdraw from such services and receive a distribution from these moneys of \$21.00 per student enrolled at such schools, in such grades, in lieu of receiving wireless technology infrastructure provided pursuant to the statewide contract. In order to qualify for the receipt of such funds, the receiving school district or public charter school shall demonstrate that it has a wireless technology infrastructure that meets or exceeds the standard set by the Idaho Education Technology Association. The superintendent of

public instruction shall comply with any audit requirements of the Idaho Legislature.

(2) up to \$150,000 may be expended by the superintendent of public instruction for the development and maintenance of an internet-based portal of available online, nonsectarian K-12 or dual credit courses available from any of the following: (a) Idaho digital learning academy; (b) Idaho public school districts; (c) Idaho public charter schools; (d) Idaho public colleges and universities; (e) Idaho private colleges and universities accredited by the same organization that accredits Idaho's public colleges and universities; and (f) any provider of online courses; provided however, that the courses available on the portal have been verified and approved by the state department of education to meet state content standards.

Of the amounts allocated pursuant to subsections (1) and (2) of this section, no more than \$190,000 may be utilized by the superintendent of public instruction for technology staff support costs. The dollars allocated for subsections (2) and (3) of this section may be reallocated between said subsections by the superintendent of public instruction, subject to a ten percent (10%) maximum cumulative change in the allocated amounts.

Unanimous Consent Request

Moved by Mortimer, granted by unanimous consent, to hold Section 9 for one legislative day.

INTENT LANGUAGE:

Legislative Intent Language — Section 13

SECTION 13, Of the moneys appropriated in Section 3 of this act, the superintendent of public instruction may expend or distribute up to \$4,500,000 for the maintenance, operation, and licensing of the instructional improvement system (ISEE Phase II) that includes high quality digital learning resources and software linked to state and local curricula, model lesson plans, content and formative and summative assessments tied to rigorous college and career-ready standards, and safe and secure online knowledge sharing and collaboration systems; or for school districts and charter schools to implement and operate instructional management systems of their choice that interface with the Idaho System for Educational Excellence Phase (ISEE); or for other technology related costs. Moneys shall be distributed or may be expended in the following ways:

A) The superintendent shall distribute:

An amount not to exceed \$2,000,000 to school districts and charter schools based on the support units used to calculate salary-based apportionment. Moneys so distributed may be used for costs associated with implementation and operation of instructional improvement systems of their choice that interface with the Idaho System for Educational Excellence (ISEE), technology staffing costs, or classroom technology, at the discretion of the school district.

B) The superintendent may expend:

- i. An amount not to exceed \$904,000 for digital content, and
- ii. An amount not to exceed \$1,596,000 for assessment items, professional development, training and school district support, in-house system maintenance, software licensing, and self-hosting support of the current Idaho System for Educational Excellence Phase II (ISEE Phase II).

Unanimous Consent Request

Moved by Gibbs, granted by unanimous consent, the legislative intent language shown above for Section 13 was accepted.

DEPARTMENT OF HEALTH AND WELFARE
Medically Indigent Administration

PRESENTER: Jared Tatro, Senior Budget & Policy Analyst
CARRIED:

Original Motion

Moved by Nuxoll, seconded by Stevenson, to approve for introduction \$139,800 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$139,800 with FTP of 1.10

Ayes: 19

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, King

Nays: 0

Ab/Ex: 1

Ringo

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

Service Integration

Original Motion

Moved by Nuxoll, seconded by Stevenson, to approve for introduction \$912,700 General Funds, \$69,500 Dedicated Funds, \$4,850,200 Federal Funds for a total of \$5,832,400 with FTP of 36.00

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

**INTENT
LANGUAGE:**

Legislative Intent Language

HEAD START APPROPRIATION FROM TEMPORARY ASSISTANCE FOR NEEDY FAMILY FUNDS. At a minimum, the Department of Health and Welfare is directed to maintain Head Start appropriations paid from federal Temporary Assistance for Needy Families funds at the same level as was paid to the Head Start Program in fiscal year 2007.

Unanimous Consent Request

Moved by Schmidt, granted by unanimous consent, the legislative intent language shown above was accepted.

CATASTROPHIC HEALTH CARE PROGRAM

PRESENTER: Jared Tatro, Senior Budget & Policy Analyst

CARRIED:

Original Motion

Moved by Stevenson, seconded by Schmidt, to approve for introduction \$34,966,300 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$34,966,300 with FTP of 0.00

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

ADJOURNED: Chairman Cameron adjourned the meeting at 9:45 a.m.

Senator Cameron
Chair

Peggy Moyer
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Friday, March 07, 2014

BUDGET SETTING

SUBJECT	DESCRIPTION	PRESENTER
N/A	Public School Support Division of Central Services Intent Section 9; <i>Held to Date Certain</i>	<i>Paul Headlee</i> <i>Deputy Division Manager</i>
LBB 2-35 LBB 2-71	Department of Health & Welfare Division of Medicaid Division of Welfare	<i>Jared Tatro</i> <i>Senior Budget & Policy Analyst</i>
TRAILER BILLS		
	Department of Health and Welfare Trailer to S1329: <i>Time Sensitive Emergency Workgroup</i>	<i>Jared Tatro</i> <i>Senior Budget & Policy Analyst</i>
	Department of Environmental Quality Trailer to H406: <i>NPDES Program</i>	<i>Ray Houston</i> <i>Principal Budget & Policy Analyst</i>

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, March 07, 2014

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS: Senators Co-chairman Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayne, Schmidt, Lacey
Representative(s) Co-chairman Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

**ABSENT/
EXCUSED:** None

CONVENED: Chairman Bell convened the meeting at 8:00 a.m.

SETTING FY 2015 APPROPRIATIONS

PUBLIC SCHOOLS

Division of Central Services

PRESENTER: **Paul Headlee, Deputy Division Manager, Budget and policy Analysis**

Original Motion

Moved by **Cameron**, seconded by **Keough**, to accept intent language **SECTION 9, Option 1**, to be incorporated in the appropriation bill for FY 2015 Public School Support, Program Division of Central Services.

SECTION 9 Of the moneys appropriated in Section 3 of this act, \$2,400,000 shall be expended or distributed as follows:

(1) up to \$2,250,000 of one-time moneys shall be expended or distributed by the superintendent of public instruction for the installation, repair, replacement and support of a wireless technology infrastructure, in each public school serving high school grades, of sufficient capacity to support utilization of mobile computing devices by all students in such grades in the following ways:

- a. expend for any current contracts entered into between the State Department of Education for wireless technology infrastructure,
- b. distribute to school districts and charter schools that did not submit an approved application to receive wireless technology infrastructure pursuant to the statewide contract, \$21.00 per student enrolled at such schools, in such grades, and
- c. distribute to school districts and charter schools currently receiving services under the statewide contract for wireless technology infrastructure that choose, during the remaining time period of fiscal year 2014, to withdraw from such services, \$21.00 per student enrolled at such schools, in such grades.

(2) To receive moneys in Subsection 1 (a),(b),or (c), the wireless technology infrastructure must meet or exceed standards established in Idaho Code or State Board of Education administrative rule.

(3) The superintendent of public instruction shall collaborate with the Legislative

Branch in performing service audits to ensure compliance and district satisfaction.

(4) If actual expenditures in Subsection 1 exceed the amount specified in said subsection, the difference shall be included in the year-end reconciliation used to calculate funding available to meet the requirements of Section 33-1018, Idaho Code, notwithstanding any laws to the contrary.

(5) up to \$150,000 may be expended by the superintendent of public instruction for the development and maintenance of an internet-based portal of available online, nonsectarian K-12 or dual credit courses available from any of the following: (a) Idaho digital learning academy; (b) Idaho public school districts; (c) Idaho public charter schools; (d) Idaho public colleges and universities; (e) Idaho private colleges and universities accredited by the same organization that accredits Idaho's public colleges and universities; and (f) any provider of online courses; provided however, that the courses available on the portal have been verified and approved by the state department of education to meet state content standards. Of the amounts allocated pursuant to subsections (1) and (5) of this section, no more than \$190,000 may be utilized by the superintendent of public instruction for technology staff support costs. The dollars allocated for subsections (1) and (5) of this section may be reallocated between said subsections by the superintendent of public instruction, subject to a ten percent (10%) maximum cumulative change in the allocated amounts.

Substitute Motion

Moved by **Mortimer**, seconded by **Thayn**, to accept legislative intent language **SECTION 9 Option 2** to be incorporated in the appropriation bill for FY 2015 Public Schools Support Program, Division of Central Services.

SECTION 9. Of the moneys appropriated in Section 3 of this act, \$2,400,000 shall be expended or distributed as follows:

(1) up to \$2,250,000 of one-time moneys may be expended by the superintendent of public instruction for the installation, repair, replacement and support of a wireless technology infrastructure, in each public school serving high school grades, of sufficient capacity to support utilization of mobile computing devices by all students in such grades. Provided, however, that any school district or public charter school serving such grades that did not submit an approved application to receive wireless technology infrastructure pursuant to the statewide contract may choose to receive a distribution from these moneys of \$21.00 per student enrolled at such schools, in such grades. Receipt of the distribution will require the receiving school district or public charter school to demonstrate that it has a wireless technology infrastructure that meets or exceeds performance and reliability standards established in Idaho Code or State Board of Education administrative rule. Further, the superintendent of public instruction shall collaborate with the Legislative Branch in performing service audits to ensure compliance and district satisfaction.

(2) up to \$150,000 may be expended by the superintendent of public instruction for the development and maintenance of an internet-based portal of available online, nonsectarian K-12 or dual credit courses available from any of the following: (a) Idaho digital learning academy; (b) Idaho public school districts; (c) Idaho public charter schools; (d) Idaho public colleges and universities; (e) Idaho private colleges and universities accredited by the same organization that accredits Idaho's public colleges and universities; and (f) Any provider of online courses; provided however, that the courses available on the portal have been verified and approved by the state department of education to meet state content standards.

Of the amounts allocated pursuant to subsections (1) and (2) of this section, no more than \$190,000 may be utilized by the superintendent of public instruction for

technology staff support costs. The dollars allocated for subsections (1) and (2) of this section may be reallocated between said subsections by the superintendent of public instruction, subject to a ten percent (10%) maximum cumulative change in the allocated amounts.

FAILED: **Substitute Motion Roll Call Vote**

Ayes: 9

Mortimer, Vick, Nuxoll, Bayer, Thayn, Eskridge, Thompson, Stevenson, Youngblood

Nays: 11

Cameron, Keough, Johnson, Schmidt, Lacey, Bell, Bolz, Gibbs, Miller, Ringo, King

Ab/Ex: 0

CARRIED: **Original Motion Roll Call Vote**

Ayes: 15

Cameron, Keough, Johnson, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 5

Mortimer, Vick, Nuxoll, Bayer, Thayn

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

DEPARTMENT OF HEALTH AND WELFARE

PRESENTER: **Jared Tatro, Senior Budget and Policy Analyst**

Division of Medicaid

CARRIED: **Original Motion**

Moved by **Schmidt**, seconded by **Stevenson**, to approve for introduction \$492,347,100 General Funds, \$187,726,100 Dedicated Funds, \$1,353,216,800 Federal Funds for a total of \$2,033,290,000 with FTP of 210.00

Ayes: 17

Cameron, Keough, Mortimer, Johnson, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 2

Nuxoll, Bayer

Ab/Ex: 1

Vick

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

**UNANIMOUS
CONSENT** On request by **Schmidt**, granted by unanimous consent, the legislative intent language, was accepted and will be incorporated in the Division of Medicaid appropriation bill.

**INTENT
LANGUAGE:**

MEDICAID TRACKING REPORT. The Department of Health and Welfare, Medicaid Division and Indirect Support Services Division, shall deliver on a monthly basis to the Legislative Services Office and the Division of Financial Management a report that compares the Medicaid budget as appropriated, distributed by month for the year, to actual expenditures and remaining forecasted expenditures for the year. The report shall also include a forecast, updated monthly, of the next fiscal year's anticipated trustee and benefit expenditures. The format of the report, and the information included therein, shall be determined by the Legislative Services Office and the Division of Financial Management.

TRANSFER OF APPROPRIATIONS. Notwithstanding the provisions of Section 67-3511, Idaho Code, funding provided for the trustee and benefit payments expenditure class in the Medicaid Division may be transferred in excess of ten percent (10%) among the Coordinated Medicaid Plan, Enhanced Medicaid Plan, Basic Medicaid Plan, and Medicaid Administration and Medical Management Program, but shall not be transferred to any other budgeted programs or expenditure class within the Department of Health and Welfare during fiscal year 2015.

REPORTING ON IMPLEMENTATION OF HOUSE BILL NO. 260 OF 2011. The Medicaid Division shall report on a quarterly basis the status of the implementation of House Bill No. 260, as enacted by the First Regular Session of the Sixty-first Idaho Legislature, to the Legislative Services Office and the Division of Financial Management. The report shall, at a minimum, include benefit modification implementation updates on both long-term and short-term changes, and actual cost savings realized as a result of those changes compared to estimated savings for each modification. The format of the report, and information contained therein, shall be determined by the Legislative Services Office and the Division of Financial Management.

MEDICAID MANAGED CARE IMPLEMENTATION. The Medicaid Division shall provide quarterly reports to the Division of Financial Management and the Legislative Services Office on progress in integrating managed care approaches into the state Medicaid system. The format of the report, and information contained therein, shall be determined by the Legislative Services Office and the Division of Financial Management

Division of Welfare

CARRIED:

Original Motion

Moved by **Stevenson**, seconded by **Schmidt**, to approve for introduction \$39,085,800 General Funds, \$2,847,600 Dedicated Funds, \$109,195,600 Federal Funds for a total of \$151,129,000 with FTP of 616.55

Ayes: 15

Cameron, Keough, Johnson, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 4

Mortimer, Nuxoll, Bayer, Thayn

Ab/Ex: 1

Vick

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

**UNANIMOUS
CONSENT:**

On request by **Stevenson**, granted by unanimous consent, the legislative intent language, was accepted and will be incorporated in the Division of Welfare appropriation bill.

**INTENT
LANGUAGE:**

ACTUAL AND FORECAST DETAIL REPORTING. The Division of Welfare shall deliver the Self-Reliance Programs Forecast to the Legislative Services Office and Division of Financial Management no less than quarterly. The report shall include monthly caseload details for Temporary Assistance for Needy Families (TANF), Child Care, Medicaid, Aid to the Aged, Blind and Disabled, Food Stamps, and Child Support programs. The Self-Reliance Programs Forecast shall also include expenditure details for all of the named programs with the exception of Medicaid. The format of the report, and any additional information contained therein, shall be determined by the Legislative Services Office and Division of Financial Management.

CLARIFYING GUIDANCE ON EMPLOYEE COMPENSATION. Relating to the direction provided in this act, which encourages the use of "salary savings" for merit increases, reduced reliance on the General Fund for personnel costs resulting from changes in federal match rates are not considered "salary savings," and should not be considered for use as such. Any General Fund personnel cost savings resulting from changes in federal match rates should be identified by the Division of Welfare for discussion next legislative session.

DEPARTMENT OF HEALTH AND WELFARE —Trailer to S1329

PRESENTER: **Jared Tatro, Senior Budget and Policy Analyst**

Physical Health Services and Emergency Medical Services

CARRIED: **Original Motion**

Moved by **Schmidt**, seconded by **Stevenson**, to the Emergency Medical Services Program for fiscal year 2015, the appropriation and transfer of \$225,800 from General Fund to the Time Sensitive Emergencies Registry Fund as found in Section 13 of S1329 in the 2014 Legislative Session that amends Section 57–2005 of Idaho Code.

Ayes: 14

Cameron, Keough, Johnson, Schmidt, Lacey, Bell, Bolz, Eskridge, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 4

Mortimer, Nuxoll, Bayer, Thayn

Ab/Ex: 2

Vick, Thompson

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

CARRIED:

Original Motion

Moved by **Schmidt**, seconded by **Stevenson**, to the Department of Health and Welfare for the Physical Health Services Program, as appropriated Section 1 of S1383 of the 2014 Legislative Session, a reduction of \$81,400 in personnel costs, a reduction of \$15,000 in operating expenditures from the General Fund, and a reduction of 1 FTP for fiscal year 2015. Furthermore, for the Emergency Medical Services Program an additional \$96,400 in personnel costs from the General Fund and 1 additional FTP for fiscal year 2015. Lastly, \$225,800 in operating expenditures for the Emergency Medical Services Program from the Time Sensitive Emergencies Registry Fund for fiscal year 2015.

Ayes: 14

Cameron, Keough, Johnson, Schmidt, Lacey, Bell, Bolz, Eskridge, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 4

Mortimer, Nuxoll, Bayer, Thayn

Ab/Ex: 2

Vick, Thompson

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

DEPARTMENT OF ENVIRONMENTAL QUALITY

PRESENTER: Ray Houston, Principal Budget and Policy Analyst

Water Quality, and Administrative and Support

H406 Trailer: NPDES Primacy

CARRIED:

Original Motion

Moved by **King**, seconded by **Johnson**, to approve for introduction to the Department of Environmental Quality for fiscal year 2015, an additional three full-time equivalent positions and \$300,000 ongoing from the General Funds as follows: \$7,500 in operating expenditures for the Administration and Support Services Program; and \$284,600 in personnel costs and \$7,900 in operating expenditures for a total of \$292,500 for the Water Quality Program. ongoing

Ayes: 18

Cameron, Keough, Mortimer, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 2

Vick, Thompson

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

**LSO STAFF
REPORT:**

Cathy Holland-Smith, Division Manager, Budget and Policy Analysis, presented a report depicting the General Fund Budget Update. The report listed pending action needed for transfers to reserve funds. The next meeting will be on Tuesday, March 11th, to consider trailer bills.

ADJOURN: There being no further business to come before the Committee, Chairman Bell adjourned the meeting at 9:35 a.m.

Representative Bell
Chair

Kathryn Yost
Secretary

AMENDED AGENDA #1
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Tuesday, March 11, 2014

BUDGET SETTING

DESCRIPTION	PRESENTER
TRAILER BILLS	
RS22411C2 Budget Stabilization Fund Raise Cap to 10%	<i>Cathy Holland-Smith</i> <i>Division Manager</i>
Trailer S1350 State Treasurer Investment Advisory Board	<i>Jared Hoskins</i> <i>Budget & Policy Analyst</i>
Trailer H542 Public Defense Commission	<i>Jared Hoskins</i> <i>Budget & Policy Analyst</i>
Trailer S1362 Medical Provider Loan Repayment	<i>Jared Tatro</i> <i>Senior Budget & Policy Analyst</i>
Salary Increase for Appointed Officials Tax Commission; Industrial Commission; PUC <i>1% Ongoing, 1% One-time</i>	<i>Keith Bybee</i> <i>Principal Budget & Policy Analyst</i>

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, March 11, 2014
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators: Co-chairman Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey
Representatives: Co-chairman Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

**ABSENT/
EXCUSED:** None

**STAFF
PRESENT:** Holland-Smith, Hoskins, Tatro, Bybee

CONVENED: Chairman Cameron called the meeting to order at 8:00 a.m.

**BUDGET
SETTING:** **SETTING FY 2015 APPROPRIATIONS**

**RS22411C2
PRESENTER:** **Budget Stabilization Fund**
Cathy Holland-Smith, Manager
Budget and Policy Division, Legislative Services Office

The bill would amend Section 57–814, Idaho Code, to increase the statutory cap for the Budget Stabilization Fund from 5% of the previous year's General Fund revenues to 10% beginning in FY 2015. Recent history shows that the amount of state savings necessary to weather a significant recession cannot occur with the current 5% cap.

Original Motion

MOTION: Moved by Bell, seconded by Mortimer, to approve for introduction RS22411C2.

CARRIED: **Ayes: 19**

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Thompson

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

FY 2015 TRAILER BILLS

STATE TREASURER

Trailer to S1350: State Treasurer Investment Advisory Board

PRESENTER: Jared Hoskins, Budget & Policy Analyst

MOTION: **Original Motion**

Moved by Keough, seconded by Bolz, to approve for introduction \$10,000 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$10,000 with FTP of 0.00

CARRIED: **Ayes: 19**

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Thompson

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

SELF-GOVERNING AGENCIES

Trailer to H542: Public Defense Commission

Jared Hoskins, Budget & Policy Analyst

MOTION: **Original Motion**

Moved by Bolz, seconded by Youngblood, to approve for introduction \$300,000 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$300,000 with FTP of 1.50

CARRIED:

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without

objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

HEALTH AND WELFARE

Psychiatric Hospitalization

Trailer to S1362: State Hospital South & North — Medical Provider Loan Repayment

PRESENTER: Jared Tatro, Senior Budget & Policy Analyst

MOTION: **Original Motion**
Moved by Nuxoll, seconded by Schmidt, to approve for introduction \$0 General Funds, \$170,000 Dedicated Funds, \$0 Federal Funds for a total of \$170,000 with FTP of 0.00

CARRIED: **Ayes: 20**

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

REOPEN FY 15 BUDGETS: **Public Utilities Commission**
State Tax Commission
Industrial Commission

PRESENTER: Keith Bybee, Principal Budget & Policy Analyst

UNANIMOUS CONSENT: On request by Keough, granted by unanimous consent, to reopen the FY 2015 budget for the Public Utilities Commission, the State Tax Commission and the Industrial Commission.

Salary Increase for Appointed Officials: 1% ongoing and 1% One-Time

MOTION: **Original Motion**
Moved by Keough, seconded by Bell, to increase the salaries for the Public Utilities Commissioners, State Tax Commissioners, and the Industrial Commissioners by 1% and provide the authority to pay a 1% bonus.

CARRIED: **Ayes: 20**

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

MOTION:

Original Motion

Moved by Keough, seconded by Bolz, to approve for introduction \$6,700 General Funds, \$15,300 Dedicated Funds, \$0 Federal Funds for a total of \$22,000 with FTP of 0.00

Ayes: 20

CARRIED:

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

**UNANIMOUS
CONSENT
REQUEST:**

Ringo requested by unanimous consent to reopen all budgets for the purpose of CEC. **There was an objection.**

ADJOURNED:

Chairman Cameron adjourned the meeting at 8:55 a.m.

Senator Cameron
Chair

Peggy Moyer
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Thursday, March 13, 2014

BUDGET SETTING

DESCRIPTION	PRESENTER
Trailer to H456aS <i>Increased Rate for County Jails</i> Department of Correction	<i>Richard Burns</i> <i>Principal Budget & Policy Analyst</i>
Department of Parks & Recreation <i>Reconsideration of FY 2015 Budget</i>	<i>Ray Houston</i> <i>Principal Budget & Policy Analyst</i>
Department of Administration <i>Reconsideration of FY 2015 Budget</i> Idaho Education Network (IEN)	<i>Robyn Lockett</i> <i>Senior Budget & Policy Analyst</i>
Trailer to S1357 <i>Criminal Justice Reinvestment</i> Department of Correction	<i>Richard Burns</i> <i>Principal Budget & Policy Analyst</i>
Trailer to S1372aa <i>Education Data Collection</i> Office of the State Board of Education	<i>Paul Headlee</i> <i>Deputy Division Manager</i>
Trailer to S1352 <i>Behavioral Health Crisis Centers</i> Department of Health & Welfare Mental Health Services	<i>Jared Tatro</i> <i>Senior Budget & Policy Analyst</i>

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, March 13, 2014

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS: Senators Co-chairman Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey

Representatives Co-chairman Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

**ABSENT/
EXCUSED:** None

CONVENED: Chairman Bell called the meeting to order at 8:00 a.m.

DEPARTMENT OF CORRECTION

Trailer to H456aS Increased Rate for County Jails

PRESENTER: **Richard Burns, Principal Budget & Policy Analyst**

County and Out-of State Placement

HB456aS increased the minimum rate that the State Board of Correction is required to pay counties housing state sentenced prisoners. The minimum rate went for \$40 per day to \$45 per day. Since the department houses approximately 600 state prisoners in the county jails throughout the state on any given day, a \$5.00 increase will require an additional \$1.1 million appropriation for 2015.

CARRIED: **Original Motion**

Moved by **Bolz**, seconded by **Vick**, to approve for introduction \$1,100,000 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$1,100,000 with FTP of 0.00

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

DEPARTMENT OF PARKS AND RECREATION

PRESENTER: **Ray Houston, Principal Budget and Policy Analyst**

**UNANIMOUS
CONSENT:** On request by **Gibbs**, granted by unanimous consent, to reopen the fiscal year 2015 budget for the Department of Parks and Recreation.

CARRIED:

Original Motion

Moved by **Gibbs**, seconded by **Lacey**, to approve for introduction \$250,000 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$250,000 with FTP of 0.00

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

**UNANIMOUS
CONSENT:**

On request by **Gibbs**, granted by unanimous consent, legislative intent language as shown below.

**INTENT
LANGUAGE:**

Legislative Intent Language

It is the intent of the Legislature that the Idaho Department of Parks and Recreation sell the 17 acre parcel near the city of Hagerman and all associated water rights, known as the Aqua Life Aquaculture Facility, to the Idaho Water Resource Board for the July 2011 appraised value of \$1,635,000. The Department of Parks and Recreation shall deposit the proceeds from the sale into the State Park Land Trust Fund to be used, subject to Legislative appropriation, for development of facilities in the Thousand Springs State Park Complex.

DEPARTMENT OF ADMINISTRATION

Reconsideration of FY 2015 budget

Idaho Education Network E-Rate

PRESENTER:

Robyn Lockett, Senior Budget and Policy Analyst

**UNANIMOUS
CONSENT:**

On request by **Cameron**, granted by unanimous consent, to re-open the fiscal year 2015 budget for the Department of Administration.

CARRIED:

Original Motion

Moved by **Cameron**, seconded by **Keough**, to approve for introduction \$4,800,000 General Funds
8 months in payments

Ayes: 19

Cameron, Keough, Mortimer, Vick, Nuxoll, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 1

Johnson

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

**UNANIMOUS
CONSENT:**

On request by **Cameron**, granted by unanimous consent, to incorporate the legislative intent language listed below to ensure that the Department of Administration is clear as to the Legislature's intent about how they move forward.

**INTENT
LANGUAGE:**

Legislative Intent Language

SECTION 1. In addition to any other appropriation provided for by law, there is hereby appropriated \$4,800,000 from the General Fund to the Department of Administration for the Idaho Education Network Program, to be expended for operating expenditures, for the period July 1, 2014, through February 28, 2015.

SECTION 2. ALLOTING APPROPRIATION. In accordance with Section 67-3517, Idaho Code, the department shall make a request each month to the administrator of the division of financial management for an allotment of spending authority that is limited to the monthly amount payable for services that support the Idaho Education Network, as appropriated in section 1 of this act. The administrator of the division of financial management shall forward said request, upon its approval, to the state controller, for spending authority of funds to be made available during the fiscal year to the department.

SECTION 3. USE OF APPROPRIATION. It is the intent of the Legislature that the Department of Administration shall use the appropriation provided for in section 1 of this act, to pay funds due in FY 2015 to Education Networks of America, Inc./ENA Services, LLC ("ENA") from the E-Rate program administered by Universal Service Administrative Company ("USAC") for services to be rendered to the Idaho Education Network ("IEN"), if not paid for by USAC pursuant to RFP02160 and any purchase orders and amendments (the "IEN Contract"), within a reasonable time after invoice from ENA to USAC. Prior to disbursement of the funds from the General Fund to the department, the department and ENA shall enter into an agreement with the following provisions, at a minimum: (1) Disbursement of funds under this appropriation shall not constitute acknowledgement of any liability or rights of either party under the IEN Contract not expressly provided for in the IEN Contract. (2) ENA shall immediately return to the department any funds paid to ENA under this appropriation, if and when USAC pays ENA for any of the services ENA rendered to the department pursuant to the IEN contract. (3) Nothing in this agreement shall displace ENA's responsibility under Paragraph 9.13 or any other provision of the IEN contract to submit invoices to USAC in accordance with established E-Rate policies. Upon completion of the agreement required under this section, and also upon the receipt of any funds paid back to the department by ENA pursuant to (2) above, the department shall immediately notify members of IPRAC. If ENA returns any appropriated funds to the Department pursuant to (2) above, the department shall immediately transfer such funds to the General Fund. If the department does not use the entire appropriation for the purposes stated herein in before February 28 2015, it shall return the unused funds to the General Fund on or before February 28, 2015.

SECTION 4. FUNDING AUTHORIZED FOR THE CURRENT CONTRACT. Notwithstanding the authorization provided for in sections 67-5745D and 67-5745E, Idaho Code, to create and support the Idaho Education Network, any appropriation provided for in section 1 of this act shall not be construed as an endorsement or a commitment to the continuation of the Idaho Education Network while operating under the current valid IEN Contract described in section 3 of this act beyond the provisions of this appropriation.

SECTION 5. SERVICE AUDIT OF IDAHO EDUCATION NETWORK. The department shall collaborate with the Legislature in performing service audits to determine ownership of all equipment purchased or leased in association with the

IEN Contract, as well as confirmation of the type and level of usage of IEN services by each school district receiving services under this contract.

SECTION 6. REPORTING REQUIREMENTS. The department shall report monthly, in writing, to the Legislative Services Office, Budget & Policy Analysis, the Division of Financial Management, and the IEN Program Resource Council as to the status of USAC's contract review and the Syringa v State of Idaho lawsuit, an IEN expenditure report that includes fund balances to-date, and a litigation-related expenditure report.

DEPARTMENT OF CORRECTION

Criminal Justice Reinvestment

PRESENTER: Richard Burns, Senior Budget and Policy Analyst

Community Corrections

Criminal Justice Reinvestment adjustments.

1. Shifts \$614,800 and ten senior probation and parole officers from the Parolee Supervision Fund to the General Fund due to lack of revenues in that fund. Each senior probation and parole officer costs \$40,700 for salary and \$20,800 for benefits for a total of \$61,500 in FY 2015. [Ongoing]
2. Provides \$369,200 to hire five new probation and parole officers in FY 2015. These positions will be filled on June 9, 2014. Each probation and parole officer will cost \$38,800 for salary and \$19,500 for benefits for a total of \$58,300. Of this amount, \$312,400 is ongoing and \$56,800 is one-time.
3. Shifts \$577,800 and nine probation and parole officers from the Parolee Supervision Fund to the General Fund to recognize the loss of revenue as the supervised population decreases. This may also free-up money from the offenders to be used for restitution. [Ongoing]
4. Provides \$500,000 from the General Fund to be used for training officers in effective research-based management techniques, when dealing with offenders in the community. [Ongoing]
5. Provides \$299,000 from the Parolee Supervision Fund to hire a contractor to develop a probation and parole web-based reporting system that would also be interfaced with the department's Correctional Integrated System. Of this amount, \$27,000 is ongoing and \$272,000 is one-time.

CARRIED: **Original Motion**

Moved by **Bolz**, seconded by **Youngblood**, to approve for introduction an additional \$2,000,000 from the General Fund, and \$360,800 from the dedicated fund for a total of \$2,360,800 and an additional five FTP for fiscal year 2015, for the purpose of implementing the provisions of S1357 relating to Justice Reinvestment, with FTP of 5.00

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without

objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

CARRIED:

Original Motion

Moved by **Bolz**, seconded by **Youngblood**, to approve for introduction to the Community Corrections within the Department of Correction, a reduction of \$1,192,600 in the dedicated fund for a total reduction of \$1,192,600 for fiscal year 2015, for the purpose of implementing the provisions of S1357 relating to Justice Reinvestment.

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

**UNANIMOUS
CONSENT:**

On request by **Bolz**, granted by unanimous consent, the legislative intent language as shown below, was accepted and will be incorporated in the Community Corrections appropriation bill.

**INTENT
LANGUAGE**

Legislative Intent Language

It is the intent of the Legislature that all moneys appropriated to the Department of Correction for community-based substance abuse services for fiscal year 2015, shall be used for treatment, drug testing, and cognitive programming designed to reduce offender criminality and recidivism.

Management Services

Provides funding to hire a training specialist, business analyst, and system integration analyst, senior. A like amount of funding was removed from this program during regular budget setting due to changing requirements for contract management. [Ongoing]

CARRIED:

Original Motion

Moved by **Bolz**, seconded by **Youngblood**, to approve for introduction \$198,300 General Fund for a total of \$198,300 with FTP of 2.50 for fiscal year 2015, for the purpose of implementing the provisions of S1327 relating to Justice Reinvestment.

AYES: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

Commission for Pardons and Parole

Provides \$225,000 from the General Fund to hire an IT programmer/analyst position, operating expenditures and capital outlay to upgrade the inadequate computer management system within the commission. Of the stated amount \$150,000 is ongoing and \$75,000 is one-time.

CARRIED:

Original Motion

Moved by **Bolz**, seconded by **Youngblood**, to approve for introduction \$225,000 General Funds, for a total of \$225,000 with FTP of 1.00

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

**UNANIMOUS
CONSENT:**

On request by **Bolz**, granted by unanimous consent, to accept the legislative intent Language as shown below, to be incorporated in the appropriation bill for Commission for Pardons and Parole.

**INTENT
LANGUAGE**

Legislative Intent Language

It is Legislative intent that moneys appropriated for information technology improvements at the Commission for Pardons and Parole, shall be used to hire a qualified information technology position to assess commission needs; provide hardware, software, and network support; and design, install, program, and maintain all necessary automated systems. This position will also work with the Department of Correction to integrate with their information systems, where appropriate, to expedite and improve the flow of information and data between the commission and the department. In addition to hiring a qualified information technology position, moneys may also be expended for contractual services, if required, and for the purchase of reasonable and necessary computer equipment and software.

OFFICE OF THE STATE BOARD OF EDUCATION

PRESENTER:

Paul Headlee, Deputy Division Manager, Budget and Policy Analysis

Administration

Trailer to S1372: Data Security Policies

CARRIED:

Original Motion

Moved by **Mortimer**, seconded by **Thompson**, to approve for introduction \$43,000 General Funds for the Office of the State Board of Education, Administration Program. Of this amount, \$42,100 is ongoing and \$900 is one-time with FTP of 0.50

Ayes: 19

Cameron, Keough, Mortimer, Vick, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Nuxoll

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

DEPARTMENT OF HEALTH AND WELFARE

PRESENTER:

Jared Tatro, Senior Budget and Policy Analyst

Mental Health Services-Adult Mental Health

Trailer to S1352: Behavioral Health Crisis Centers

CARRIED:

Original Motion

Moved by **Schmidt**, seconded by **Stevenson**, to approve for introduction an additional \$600,000 one-time from the Cooperative Welfare Federal Fund, and \$1,520,000 ongoing from the Cooperative Welfare General Fund, all in trustee and benefit payments, for fiscal year 2015, with funding to be used for purposes established in S 1352 in the 2014 Legislative Session.

Ayes: 16

Cameron, Keough, Mortimer, Johnson, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 3

Vick, Bayer, Thayn

Ab/Ex: 1

Nuxoll

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

ADJOURN:

There being no further business to come before the Committee, Chairman Bell adjourned the meeting at 9:08 a.m.

Representative Bell
Chair

Kathryn Yost
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Friday, March 14, 2014

BUDGET SETTING

DESCRIPTION	PRESENTER
Trailer to H509 Court Technologies	<i>Richard Burns</i> <i>Principal Budget & Policy Analyst</i>
Trailer to S1394 Judges Salaries	
Trailer to S1395 Elected Officials Salaries	<i>Jared Hoskins</i> <i>Budget & Policy Analyst</i>
Year-End Transfers and Appropriations	<i>Cathy Holland-Smith</i> <i>Division Manager</i>

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, March 14, 2014
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators: Co-chairman Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey
Representatives: Co-chairman Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King
ABSENT/EXCUSED: None
STAFF PRESENT: Burns, Hoskins, Holland-Smith
CONVENED: Chairman Cameron convened the meeting at 8:00 a.m.

BUDGET SETTING: **SETTING FY 2015 APPROPRIATIONS**

JUDICIAL BRANCH
Trailer to H509 Court Technologies

PRESENTER: **Richard Burns, Principal Budget & Policy Analyst**

H509 increased fees in certain civil cases; renamed the ISTARs Technology Fund to the Court Technology Fund; and required the Supreme Court to make an annual report to the Governor and the legislature on the status of the Court Technology Fund, the enhancement of court technology, and savings and efficiencies resulting from the use of that technology.

MOTION:

CARRIED: **Original Motion**
Moved by Bolz, seconded by Youngblood, to approve for introduction \$0 General Funds, \$5,466,000 Dedicated Funds, \$0 Federal Funds for a total of \$5,466,000 with FTP of 0.00

Ayes: 18

Cameron, Keough, Mortimer, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 2

Vick, Thompson

The majority having voted in the affirmative, the motion has passed and without

objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

Trailer to S1394 Judges Salaries

S1394 adjusted judicial salaries and increased the differences between justices and judges holding office at different levels within the judiciary. It increases pay for magistrate judges by 2.5% from \$109,300 to \$112,000. The bill also increased the difference between the rate of pay for district judges and magistrate judges from \$5,000 to \$12,000 per year, resulting in an 8.5% increase for district judges. The seven administrative district judges will receive \$2,000 more than the other district judges.

Also, beginning in FY 2015, the Supreme Court Justices will receive a 10.7% increase to \$135,000, with the chief justice receiving \$2,000 more than the other justices. The Court of Appeals judges will receive a 7.5% increase to \$130,000, with the chief judge receiving differential pay for the first time of \$2,000 more than what the other Court of Appeals judges are paid.

MOTION:

Original Motion

Moved by Bolz, seconded by Youngblood, to approve for introduction \$1,157,200 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$1,157,200 with FTP of 0.00

CARRIED:

Ayes: 18

Cameron, Keough, Mortimer, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 2

Vick, Thompson

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

ELECTED OFFICIALS SALARIES

PRESENTER: Jared Hoskins, Budget and Policy Analyst

The FY 2015 increase would include \$1,800 to the Executive Office of the Governor, \$4,200 to the Office of the Lieutenant Governor; \$1,500 to the Secretary of State; \$1,500 to the State Controller; \$10,200 to the Attorney General; \$1,500 to the State Treasurer; and \$1,500 to the Superintendent of Public Instruction for a total of \$22,200 in General Funds.

MOTION: **Trailer to S1395: Elected Officials Salaries**

CARRIED: **Original Motion**

Moved by Bell, seconded by Keough, to approve for introduction \$22,200 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$22,200 with FTP of 0.00

Ayes: 10

Cameron, Keough, Johnson, Bayer, Thayn, Lacey, Bell, Bolz, Gibbs, Youngblood

Nays: 9

Mortimer, Vick, Nuxoll, Schmidt, Eskridge, Stevenson, Miller, Ringo, King

Ab/Ex: 1

Thompson

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

YEAR-END TRANSFERS AND APPROPRIATIONS

PRESENTER: **Cathy Holland-Smith, Budget and Policy Division**

Draft legislation was presented which included the following:

Section 1. FY 2014 fund transfer \$10 Million from the General Fund to the Permanent Building Fund.

Section 2. Reopen the Department of Administration, Division of Public Works FY 2015 budget

Section 3. Intent language to allocate funding.

Section 4. FY 2014 fund transfer \$24 million from the General Fund to the Budget Stabilization Fund (BSF).

Section 5. FY 2014 fund transfer \$10 million from the General Fund to the Public Education Stabilization Fund (PESF).

Section 6. FY 2014 fund transfer \$1,379,000 from the General Fund to the Higher Education Surplus Stabilization Account (HESSA).

Section 7. FY 2014 fund transfer \$621,000 from the General Fund to the Higher Education Surplus Stabilization Account (HESSA).

Section 8. Intent language for FY 2014 Year-End Closing.

Year—End Transfer to Permanent Bldg Fund (Section 1)

MOTION:

Original Motion

Moved by Bell, seconded by Schmidt, to approve for introduction \$10,000,000 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$10,000,000 with FTP of 0.00

CARRIED:

Ayes: 19

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Thompson

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

MOTION:

Unanimous Consent Request (Section 2)

Moved by Bell, granted by unanimous consent, the FY 2015 budget for the Department of Administration, Permanent Building Fund was reopened.

MOTION:

Appropriation From the Permanent Building Fund (Section 2)

CARRIED:

Original Motion

Moved by Bell, seconded by Bolz, to approve for introduction \$0 General Funds, \$10,000,000 Dedicated Funds, \$0 Federal Funds for a total of \$10,000,000 with FTP of 0.00

Ayes: 19

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 1

Thompson

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

**INTENT
LANGUAGE:**

Intent Language to Allocate Funding (Section 3)
Unanimous Consent Request

Moved by Bell, granted by unanimous consent, the legislative intent language shown below was accepted.

ALLOCATION OF FUNDS FOR PROJECTS. Of the total appropriated in Section 2 of this act, \$8,000,000 shall be used for the purpose of paying the cost of rebuilding, renovation or repair of buildings, installations, facilities or structures at the places, institutions and agencies, or their successors, as designated by the Permanent Building Fund Advisory Council; and \$2,000,000 shall be used for the rebuilding, renovation or repair of the Education Building at the University of Idaho.

Appropriation from Permanent Building Fund (Sections 4–7)

MOTION:

Original Motion

Moved by Bell, seconded by Mortimer, to approve for introduction \$36,000,000 General Funds, \$0 Dedicated Funds, \$0 Federal Funds for a total of \$36,000,000 with FTP of 0.00

CARRIED:

Ayes: 15

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Bell, Bolz, Eskridge, Gibbs, Stevenson, Miller, Youngblood

Nays: 4

Schmidt, Lacey, Ringo, King

Ab/Ex: 1

Thompson

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

**INTENT
LANGUAGE:**

Unanimous Consent Request (Section 8)

Moved by Bell, granted by unanimous consent, the legislative intent language shown below was accepted.

CONDITIONS FOR FISCAL YEAR 2014 CLOSING. When calculating any excess cash balance the State Controller shall first provide for a minimum of \$26,000,000 from the General Fund to be carried over into fiscal year 2015. The State Controller shall determine when the financial close of fiscal year 2014 is complete, and after consultation with the Division of Financial Management and the Legislative Services Office, shall notify the Governor and the Legislature of the amounts transferred from the General Fund to the funds authorized in Sections 4, 5, 6, and 7. In the instance that General Fund revenues for fiscal year 2014 are insufficient to support the full transfers authorized in such sections, the State

Controller is authorized to adjust the amounts transferred from the General Fund on a pro rata basis upon the financial close of fiscal year 2014.

ADJOURNED: Chairman Cameron adjourned the meeting at 8:59 a.m.

Senator Cameron
Chair

Peggy Moyer
Secretary

AGENDA
JOINT FINANCE-APPROPRIATIONS COMMITTEE
8:00 A.M.
Room C310
Tuesday, March 18, 2014

BUDGET SETTING

DESCRIPTION	PRESENTER
Department of Administration Technical Correction to Intent Language	<i>Robyn Lockett</i> <i>Senior Budget & Policy Analyst</i>
Trailer H470aS Wolf Control Fund	<i>Ray Houston</i> <i>Principal Budget & Policy Analyst</i>
Legislative Services Office Service Audits for Wi Fi and IEN: <i>Previous JFAC Action for Public Schools and the Department of Administration</i>	<i>Cathy Holland-Smith</i> <i>Division Manager</i> <i>Paul Headlee</i> <i>Deputy Division Manager</i> <i>Robyn Lockett</i> <i>Senior Budget & Policy Analyst</i>

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, March 18, 2014

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS : Senators Co-chairman Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey
Representatives Co-chairman Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

**ABSENT/
EXCUSED:** None

CONVENED: Chairman Bell convened the meeting at 8:00 a.m.

FY 2015 APPROPRIATION CORRECTIONS AND TRAILER BILLS

DEPARTMENT OF ADMINISTRATION

PRESENTER: Robyn Lockett, Senior Budget and Policy Analyst

Technical Correction to Intent Language

**UNANIMOUS
CONSENT:** On request by **Youngblood**, granted by unanimous consent, to reopen the fiscal year 2015 budget for the Department of Administration.

**UNANIMOUS
CONSENT:** On request by **Youngblood**, granted by unanimous consent, to add language authorizing the transfer of \$2,737,500 from the Permanent Building Fund to the Administrative and Accounting Services Fund for Public Officials' Capitol Mall Facilities.

OFFICE OF THE GOVERNOR

PRESENTER: Ray Houston, Principal Budget and Policy Analyst

Wolf Depredation Control Board

Trailer to 470aS: Wolf Control Fund

CARRIED: **Original Motion**

Moved by Gibbs, seconded by Lacey, to approve for introduction \$400,000 General Fund for FY 2015 to be transferred to the Wolf Control Fund Other Money Subaccount, on July 1, 2014 or as soon thereafter as is practicable.

Ayes: 17

Cameron, Keough, Mortimer, Vick, Nuxoll, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood

Nays: 3

Johnson, Ringo, King

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

LEGISLATIVE SERVICES OFFICE

PRESENTER: Cathy Holland-Smith Division Manager, Budget and Policy Analysis

Department of Administration: Idaho Education Network Program

Section 5. Service Audit of Idaho Education Networks. The department shall collaborate with the Legislature in performing service audits to determine ownership of all equipment purchased or leased in association with the IEN Contract, as well as confirmation of the type and level of usage of IEN services by each school district receiving services under this contract.

, **Public Schools Support: Division of Central Services**

Section 3. The superintendent of public instruction shall collaborate with the Legislative Branch in performing service audits to ensure compliance and district satisfaction.

UNANIMOUS CONSENT: On request by **Cameron**, granted by unanimous consent, to reopen the FY 2015 budget for the Legislative Services Office.

CARRIED: **Original Motion**

Moved by Cameron, seconded by Thompson, to approve for introduction \$90,000 General Fund to the Legislative Services Office for FY 2015.

Ayes: 20

Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey, Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Miller, Youngblood, Ringo, King

Nays: 0

Ab/Ex: 0

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Bell.

UNANIMOUS CONSENT: On request by **Cameron**, granted by unanimous consent, to accept the legislative intent as shown below.

INTENT **Legislative Intent Language**

LANGUAGE: It is the intent of the Legislature that the Legislative Audit Division will manage a contract for service audits of the statewide Wi-Fi contract in Public Schools and the Idaho Education Network (IEN) in the Department of Administration. At a minimum the service audit for the Wi-Fi contract will review compliance and district satisfaction, and for the IEN will determine ownership of all equipment purchased or leased in association with the IEN contract, as well as confirmation of the type and level of usage of IEN services by each school district receiving services under the contract. Any funding not necessary to complete the audits will be reverted to the General Fund upon completion of the audits.

ADJOURN: There being no further business to come before the Committee, Chairman Bell adjourned the Committee at 8:16 a.m.

Representative Bell
Chair

Kathryn Yost
Secretary